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ABSTRACT

This manual provides instructional information for conducting a 2-day workshop aimed at training fiscal officers concerning their role in administering Title IV student financial aid. The workshop focuses on essential procedures, requirements, and responsibilities for proper fiscal officer administration of Title IV programs; and offers guidance for those whose responsibilities include fiscal recordkeeping, accounting, and reporting for these programs. The guide for each session begins with an overview and presents the main objectives of the session followed by orienting questions designed to provide some concrete examples of areas that the session will cover. The greater part of the section describing each session is presented in a two-column format that provides lecture notes and helpful references as well as exercises and case studies for individual and group work. Each session section concludes with a brief summary of the topics that have been covered, including a complete set of the overhead transparencies that are used by the instructor. Finally, model answers to the main exercises and case studies are given in the Answer Section at the back of the guide. (GLR)

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FISCAL OFFICER TRAINING WORKSHOP

TRAINEE GUIDE

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United States
Department of
Education

Office of
Student Financial
Assistance

Fall, 1991

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Supplemental Errata

Supplemental Errata In The Trainee Guide
and
Correction of Errata In The Trainee Guide Sheet (Original Errata)

OH One-16: In the first bullet, after "9- month grace period," insert the the words **for Perkins Loans**. In the same bullet, delete "6" and replace it with **9**. Also, in the same bullet, following the parentheses ending with "before October 1, 1980," add the words **and a 6 month grace period for Direct Loans made on or after October 1, 1980.**

Three-5: In the last bullet, toward the bottom of the page, delete the words "(adequate coverage is not defined in the regulations, but it is recommended that coverage be equal to at least one month's total cash flow)" and replace them with: **The Department of Education requires that fidelity bond coverage be in an amount equal to one-twelfth of the school's total Title IV funding for the award year for all listed campuses (including the net amount of any Stafford/SLS/PLUS checks to be delivered to the school). If the school has several additional locations, which are participating under one participation agreement, the school should provide to the Department a listing attached to the fidelity bond that clearly states the names and locations of the school's "branches" that are included under the bond.**

Four-35: In the Pro-Rata Refund Worksheet, in STEP 1, delete the regulatory citation "682.607" and replace it with **682.606**.

Four-39: Refer to the errata note for *Four-35*.

OH Four 26: Refer to the errata note for *Four-35*.

OH Four-36: For the following calculations under the Proportional Allocation Policy, delete for Stafford "$1,225/$3,500 = 35%" and replace it with **$1312.50/$4412.50 = 30%**, delete for Pell Grant "$275/$3,500 = 8%" and replace it with **$1,100/$4412.50 = 25%**, and delete for SEOG "$2,000/$3,500 = 57%" and replace it with **$2,000/$4412.50 = 45%**. In addition, delete for Stafford "$712" and replace it with **$610.50**, delete for Pell Grant "163" and replace it with **$508.75**, and delete for SEOG "$1,160" and replace it with **$915.75**.

These corrections were needed because we used STEP 3, Payments for Payment Period Credited to School Charges, in the Refund Worksheets, when we should have used STEP 2, Aid Awarded for Payment Period, in the Refund Worksheets. In Session Four-25 we had said that under proportional distribution, returns to program accounts may be made in the proportions in which they were awarded.

Five-12: In Sample College--Calculating Campus-Based ACA, for item 6. Regular CWS--Federal Share Wages Paid, delete the figure "$30,000" and replace it with **$26,250**; and for item 7. Regular CWS--Employer Share Wages Paid, delete the figure "$7,500" and replace it with **$11,250.** These corrected figures represent the 70% Federal and the 30% Employer CWS matching requirements in 1991-92 for jobs on campus and for jobs off campus in the public or private nonprofit sectors.

OH Five-15: In Sample College--Campus-Based ACA, for item 6. Regular CWS--Federal Share Wages Paid, delete the figure "$30,000" and replace it with **$26,250;** and for item 7. Regular CWS--Employer Share Wages Paid, delete the figure "$7,500" and replace it with **$11,250**.

Six-8 : Refer to the errata note for *Four-35*.

OH Six-3: Refer to the errata note for *Four-35*.

Seven-10: At the end of the last sentence of the 4th paragraph, delete the words "...generally tries to reach the recipient by telephone to..." and replace them with **will.**

Seven-10: In the Errata In The Trainee Guide Sheet, Page 1, delete the change made to *Seven-10*.

Seven-12: On line 6, delete the word "monthly."

Seven-12: On line 16, change "method of payment reimbursement" to **payment reimbursement method.**

Seven-12: In the Errata In The Trainee Guide Sheet, Page 1, for Seven-12, delete the words "U.S. Treasury Check Cash Request Form" and replace them with **Standard Form 270, Request For Advance Or Reimbursement.**

Answers Four-6: Refer to the errata note for *Four-35*.

Answers Six-14: Refer to the errata note for *Four-35*.

Answers Six-18: Refer to the errata note for *Four-35*.

Original Errata

ERRATA IN THE TRAINEE GUIDE

One-4: Delete the 3rd margin note (it begins "However, the examination...").

One-14: In line 15, change the phrase "last the remainder of the fiscal year..." by inserting the word federal as follows: "last the remainder of the federal fiscal year...".

Two-6: To the end of the 9th line from the bottom, "Auditing Stafford and SLS checks", add the words **and EFT transfers**.

OH Two-32: On the bottom line, delete both figures 173,941 and replace them with **178,071**.

Three-13: At the end of the 3rd paragraph, delete the sentence beginning "There are no records..." and ending "...from her classes".

Three-16: On line 8, delete the word Pilot and replace it with **Project**.

Three-19: On the 2nd line from the bottom, after the words "degree-seeking", insert the word **undergraduate**.

Three-21: On the 17th line from the bottom, delete the word new and replace it with **first-time**.

OH Four-39: After the last line, add: • **Within 30 days of the last day of an approved leave of absence.**

OH Five-20: At the end of the next to the bottom line, add the words **of grants to students**. Also, add the same words to the end of the bottom line.

OH Five-23: In the title, delete the dates 1988-89 and replace them with **1991-92**.

OH Six-24: Change the 2nd line from the bottom to read:
Pell $1,150.00/$4,462.50 = 26% x $622 = $161.72

OH Six-27: Change the 2nd line from the bottom to read:
Pell $1,150.00/$4,462.50 = 26% x $1,732 = $450.32

Seven-10: The 4th paragraph from the bottom ends with the words "...that a problem has occurred." Delete the period and add: **under the FEDWIRE system. Under ACH/EFT, the account representative will mail a written notification, usually the same day.**
On the bottom line, delete the period and continue as follows: **or returning a Quarterly Report that is rejected by ED/PMS. If it is necessary to express mail a Quarterly Report, be sure to include *FOB 6, Room 3083* in the mailing address.**

Seven-12: After line 1, insert the following: **Use of the U.S. Treasury Check method is currently suspended.**
Delete the 12th and 13th lines from the bottom, replacing them with:

- **the institution then fills out a U.S. Treasury Check Cash Request Form, which is translated by ED/PMS into an ACH/EFT request for funds to reimburse the institution**

Seven-14: At the end of the 11th line from the bottom, "...return of the excess", continue the paragraph as follows: **Also, the school is immediately placed on manual review, and ED/PMS will not process further drawdown requests until written justification is received or the excess cash returned.**

Eight-8: In line 8, after the word disbursements, insert the words **and adjustments**.

Eight-13: On line 8, delete the words **the sum of**.
At the end of line 8, between the words and the, insert the word **decrease**.
Delete the 4th and 5th lines from the bottom and replace them with:

- **your institution's Entity Identification Number (EIN) and Payee Identification Number (PIN)—both can be obtained from the ED/PMS 272 Status of Federal Cash report**

Eight-33: After the 5th line from the bottom, in the space between the paragraphs, add the following:

- **Page 24 of the instructions for the 1991 FISAP mistakenly tells schools to handle all prior-year recoveries by mailing a check to ED. This is only true for cases in which the award no longer appears on the ED/PMS 272, as we will discuss in Section 2b.**

Answers Three-1: After the 5th line from the bottom, "– the court system", add the following line:
– the alumni office

Answers Three-3: Delete paragraph M in its entirety, beginning "M. The Stafford..." and ending "...borrower?"

Answers Five-1: Delete all references to overheads in parentheses—for example, delete (OH 7).

Answers Six-10: Change line 13 to read:
Pell $1,150.00/$4,462.50 = 26% x $622 = $161.72

Answers Seven-3: In the middle of the page, change the italicized heading *Account Name* to *Checking* Account Name.

FISCAL
OFFICER
TRAINING
WORKSHOP

TRAINEE GUIDE

Fall, 1991

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INTRO

SESSION

WELCOME, INTRODUCTION TO THE WORKSHOP AND ITS TRAINING MATERIALS

OVERVIEW

(20 MINUTES)

A. Introduction to the 2-Day Workshop and its Major Objectives
   1. Overview of the Workshop
   2. Main Workshop Objectives

B. The Workshop Agenda

C. Using the Workshop Materials Effectively
   1. The *Trainee Guide*
   2. *The Blue Book*

MAIN OBJECTIVES

- Participants will recognize the major objectives of the entire workshop
- Participants will list important logistical features of the workshop
- Participants will use the different components of the course materials appropriately in course activities and for their own information needs

AGENDA FOR FISCAL OFFICER TRAINING WORKSHOP

Welcome, Introduction to the Workshop and Its Training Materials

Session 1: Introduction to Title IV Programs and Title IV Authorizations

Session 2: Ledger Accounts for the Title IV Programs

Break

Session 3: Institutional Responsibilities and Student Recordkeeping

Lunch

Question and Answer Period (optional)

Session 4: Introduction to Disbursement, Refund, and Repayment

Break

Session 5: Overall Management of Campus-Based Programs
(optional session for those whose institutions do not participate in the campus-based Title IV programs--SEOG, CWS, or Perkins Loan)

End of Day 1

Start-Up Remarks

Session 6: Disbursement, Refund, and Repayment Case Studies

Break

Session 7: Projecting, Drawing Down, Managing, and Returning Federal Cash

Lunch

Question and Answer Period (optional)

Session 8: Reporting Requirements for the Title IV Programs
(the second part of this session is optional for those whose institutions do not participate in the campus-based Title IV programs)

Break between Part I and Part II of Session 8

Session 9: Review of Information Resources and Workshop Wrapup

End of Workshop

A. INTRODUCTION TO THE TWO-DAY WORKSHOP AND ITS MAJOR OBJECTIVES

1. Overview of the Workshop

The main aim of the workshop is to provide training in the fiscal officer's role in administering Title IV student financial aid. The workshop will discuss essential procedures, requirements, and responsibilities for proper fiscal officer administration of Title IV programs. It will offer guidance for those whose responsibilities include fiscal recordkeeping, accounting, and reporting for Title IV student financial aid programs. The workshop will help you make the best use of Title IV funds while avoiding errors which might lead to liabilities for your institution.

The two days of training are intended for fiscal officers at Title IV institutions. The workshop should be especially useful for fiscal officers with little or no experience in administration of Title IV student financial aid programs. In presenting the workshop, we assume you have a background in general accounting principles. Although aimed at fiscal officers, this workshop presents much information that you will want to discuss and share with financial aid administrators when you return to your institution.

2. Main Workshop Objectives

On completing the workshop, you will be able to:

- recognize the main Title IV student financial aid programs
- identify the major features and restrictions of these programs
- keep appropriate records when applying aid to institutional charges and making cash disbursements of remaining aid
- deal with "no-shows" who were Title IV recipients
- apply appropriate refund and repayment procedures when Title IV recipients withdraw, drop out, or are expelled

- establish proper areas of responsibility for the different institutional offices that deal with various aspects of Title IV financial aid
- schedule and prepare for required evaluations such as audits and program reviews
- keep the required records, such as for individual students and Title IV programs
- describe recent changes in the federal and institutional shares in the campus-based programs
- calculate administrative cost allowances
- estimate funds available for awards in the campus-based programs
- establish appropriate ledger accounts and journals for the Title IV programs, and perform necessary internal checks and controls
- project the school's immediate need for federal cash for Title IV programs, and draw down, manage, and return federal cash as necessary
- file required reports on Title IV program activities
- develop an institutional calendar for Title IV activities
- use *The Blue Book* as a reference guide to retrieve key information on the Title IV programs

In addition, what are your objectives for this workshop?

B. THE WORKSHOP AGENDA

Page 2 of this Introductory Session shows the agenda for the two days of training. After four shorter sessions this morning, there will be two sessions each morning and afternoon, for a total of nine sessions plus this introductory session.

The workshop is designed to provide two full days of instruction for most participants. However, Session 5 and part of Session 8 are optional for those whose schools are not involved in the Title IV campus-based programs:

- *Session 5: Overall Management of Campus-Based Programs*--today's last session is optional for those whose institutions do not participate in the campus-based Title IV programs--SEOG, CWS, or Perkins Loan
- *Session 8: Reporting Requirements for the Title IV Programs*--the second part of this session is optional for those whose institutions do not participate in the campus-based Title IV programs

The workshop runs approximately 8 hours each day, including time for mid-morning and mid-afternoon breaks and lunch. After the lunch hour, there is a 15-minute optional Question and Answer session. You should come to this session if you want to ask for detailed answers to your individual questions.

After breaks or optional sessions, it is important to be back promptly for the start of the next session.

C. USING THE WORKSHOP MATERIALS EFFECTIVELY

This *Trainee Guide* contains much of the information you will need for the workshop. However, you will also need to refer to *The Blue Book*. If you did not bring a copy of the new *Blue Book* with you, check with your instructors to see if they have any spare copies, or share with another participant.

1. The *Trainee Guide*

This *Trainee Guide* is designed to take most of the burden of routine note-taking off your shoulders. **It is strongly recommended that, as your instructor is talking, you follow along, page by page, in this guide.**

Each session begins with an **overview** and presents the **main objectives** of the session. Your instructor will ask you to quickly look over these points at the start of the session so you can gain a sense of what the session will cover and why. The session will then continue with **orienting questions**--questions designed to provide some concrete examples of areas that the session will cover.

The greater part of each session is presented in a two-column format. The **main column** should provide most of the basic "lecture notes" that you will need. The **margin** will contain helpful references, chiefly to pages in *The Blue Book* where further information is to be found. The margin also provides space for your own note-taking.

There are **exercises** and **case studies** for individual and group work from time to time during the workshop. Where appropriate, blanks will be provided for you to fill in the answers. Each session ends with a brief **summary** of the topics that have been covered.

Following each session is a complete set of the **overhead transparencies** that the instructor is using. If you have any difficulty in seeing the projector screen, or you want to take notes regarding the material on the overheads, you may wish to refer to these printed versions.

Finally, **model answers** to the main exercises and case studies are given in the Answer Section at the back of this guide.

2. *The Blue Book*

The Blue Book is a key reference manual for fiscal officers. This workshop will give you basic familiarity with *The Blue Book*. After the workshop, it is up to you to complete your reading of *The Blue Book* to expand your understanding of the Title IV aid programs.

During the workshop, *The Blue Book* may help to clarify any problems that may arise. It includes further information on most of the topics we will cover, and this information should be easily accessible through its extensive Index. In addition, the back of *The Blue Book* includes a Glossary of terms that may be new to you and a listing of Acronyms. If the workshop introduces terms or acronyms that are unfamiliar to you, either look them up in *The Blue Book* or ask the instructor for an explanation.

In addition to *The Blue Book*, there are other publications and information sources you should be familiar with. Two of the appendices in *The Blue Book* list important publications and provide directions for obtaining other sources of information. These will be discussed in Session 9 tomorrow.

===

SUMMARY

In this brief introductory session, we looked at:

- the overall objectives of this two-day workshop
- the agenda and logistics for the workshop
- your workshop materials and how to use them

=======END OF INTRODUCTORY SESSION=========

SESSION 1

INTRODUCTION TO TITLE IV PROGRAMS AND TITLE IV AUTHORIZATIONS

OVERVIEW

(½ HOUR)

A. Orientation to Session 1

B. Overview of the Title IV Student Financial Aid Programs

C. Some Major Title IV Programs and Their Aid Delivery Systems
   1. The Pell Grant Program
   2. The Campus-Based Programs: SEOG, CWS, and Perkins Loan
   3. The Guaranteed Student Loan (GSL) Programs: Stafford Loan, SLS, and PLUS
   4. Homework Activity--Title IV Quick-Reference Sheet

MAIN OBJECTIVES

- Participants will classify the main Title IV programs (Pell Grant, SEOG, CWS, Perkins Loan, SSIG, Stafford Loan, SLS, and PLUS) according to major features such as grant/loan and campus-based/non-campus-based

- Participants will identify major restrictions for each of these programs except SSIG, including student eligibility and award parameters

- Participants will recognize main features of the delivery systems for each of these programs

- Participants will use *The Blue Book* as a reference guide to retrieve key information for each of these programs

A. ORIENTATION TO SESSION 1

This session will help answer questions like:

- What is Title IV student financial aid?
- What are the different types of Title IV aid?
- What are the major federal Title IV programs?
- How is the institution and its business office involved in delivering aid to students?
- What are the regulations in important areas such as handling disbursements to eligible students?

B. OVERVIEW OF THE TITLE IV STUDENT FINANCIAL AID PROGRAMS

For further information, see *The Blue Book* Chapter 1.

They are called "Title IV" programs because they are authorized under Title IV of the Higher Education Act of 1965, as amended. Funds for the Title IV programs are appropriated each year by Congress.

The basic philosophy of Title IV aid is that the family--the student, student's spouse, and parents--have the primary responsibility to pay for higher education expenses to the extent of their ability.

Title IV need analysis is intended to include a consistent, fair evaluation of family's financial circumstances. Most Title IV programs require a student applicant to show financial need.

Of course, Title IV is not the only source of student financial aid:

- receipt of aid from other sources could reduce need, changing the student's eligibility for Title IV aid
- without information on the newly received aid, your institution might overaward Title IV aid, and significant institutional liabilities can result

- this emphasizes the importance of sharing information about students--among the financial aid office, business office, and other offices

Title IV aid can be gift aid--grants and scholarships--or self-help aid--loans and employment.

The Title IV grant and scholarship programs are:

- Pell Grant
- Supplemental Educational Opportunity Grant (SEOG)
- State Student Incentive Grant (SSIG)
- Robert C. Byrd Honors Scholarship

The Title IV self-help programs are:

- College Work-Study (CWS) program
- Perkins Loan program
- Stafford Loan program
- Supplemental Loans for Students (SLS) program
- PLUS program--a loan program through which parents may borrow on behalf of dependent children who are students
- Income Contingent Loan (ICL) program (pilot program, only at 10 institutions)

For further information, see *The Blue Book* page 31.

There is also a Consolidation Loan program to consolidate loans made under other programs and the Health Professions Student Loan program.

For further information, see *The Blue Book* page 31.

The Pell Grant program is the "foundation program" of Title IV aid. Student eligibility for awards is determined by the Department of Education (ED) according to a formula prescribed by statute. Participating schools are directly involved as the disbursing agent for ED--a major fiscal responsibility.

SEOG, CWS, and Perkins Loan are the campus-based programs. Not all eligible institutions participate in the campus-based programs. Participating schools are directly involved in selecting students to receive awards, as the disbursing agent for ED, and, in the case of the Perkins program, as ED's collection agent. These are major fiscal responsibilities.

The Stafford Loan, SLS, and PLUS programs are major guaranteed loan programs. These loans are made by private lenders. However, schools are involved in some aspects of the processing of Stafford, SLS, and PLUS loans, and therefore have important fiscal responsibilities.

To be eligible for Title IV aid, students must satisfy general eligibility requirements. The financial aid office is usually responsible for checking on these. However, the business office must also be aware of the requirements, and can provide valuable assistance in fulfilling the institution's responsibility to check that Title IV recipients are eligible for aid.

The next four paragraphs present some examples of important eligibility requirements. For more information on general student eligibility requirements, see Chapter 1 of *The Blue Book*. For full details, see Chapter 2 of the *Federal Student Financial Aid Handbook*.

For more information on general student eligibility requirements, see Chapter 2 of the *Federal Student Financial Aid Handbook.*

For example, to be eligible to receive Title IV aid, a student must be academically qualified for study at the postsecondary level:

- generally, students who do not have a high school diploma or its equivalent must pass an independently administered examination approved by the Secretary of Education to be eligible for any Title IV aid*

For further information on this examination requirement, see the "Dear Colleague" letter GEN-91-20.

*However, the examination is not required for those students who will be SLS borrowers only.

Also, to be eligible to receive Title IV aid, a student must sign a Statement of Educational Purpose, a Statement of Selective Service Registration Status, and a Certification Statement on Refunds and Defaults (this certifies that the student is not in default on any Title IV loan at any institution and does not owe a refund of any Title IV grant or scholarship funds).

A third example of an eligibility requirement is citizenship status. In general, to receive Title IV aid a student must be:

- a U.S. citizen or national; or
- an eligible noncitizen (for example, a permanent U.S. resident)

For more information on citizenship requirements, see Chapter 2 of the *Federal Student Financial Aid Handbook.*

A final example of an eligibility requirement is student status--in general, to be eligible for Title IV aid, a student must be enrolled as a *regular student*** in an *eligible program*** of study and be maintaining *satisfactory academic progress.***

**For definitions of these terms, see Chapter 2 of the *Federal Student Financial Aid Handbook.*

The business office needs to be aware of current regulations and to be alert for changes. Regulations are published in the *Federal Register*. For example, the rules on general eligibility are part of the General Provisions regulations--34 CFR 668.7. This citation refers to Title 34 of the Code of Federal Regulations, Part 668.7. There is also a toll-free hot line for information on student financial aid: 1-800-4FED-AID.

NOTES AND REFERENCES

For more information on regulations and how to interpret them, see Module 3 of *A Self-Instructional Course in Student Financial Aid Administration.*

C. SOME MAJOR TITLE IV PROGRAMS AND THEIR AID DELIVERY SYSTEMS

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1. The Pell Grant Program

For further information, see *The Blue Book* pages 8-10.

The Pell Grant program, named after Sen. Claiborne Pell, provides the foundation of financial aid for many students.

To be eligible, students must be undergraduates with no previous BA or BS degree. There are a number of other eligibility criteria--for example:

- students must be enrolled in a degree or certificate program
- there is a limit to eligibility for students who received their first Pell Grant on or after July 1, 1987: a 5- or 6-year maximum, depending on the length of their undergraduate program

For further information, see *The Blue Book* pages 8-9.

Students who receive Pell Grants must sign an Anti-Drug Abuse Certification. Similarly, institutions must sign the Drug-Free Workplace Certification Form.

Students may fill out ED's AFSA (Application for Federal Student Aid) and send it to ED's AFSA Processor, or they may apply by completing one of the Multiple Data Entry (MDE)* application forms.

*Students can apply for federal aid *and* other forms of aid by completing a single MDE application form and paying a fee. However, students may complete only the federal portion of the MDE application form at no cost.

The student's Pell Grant Index is calculated from a statutory formula. After processing the applications,

- A Student Aid Report (SAR) is mailed to the student.

- The student submits the SAR to an aid administrator at the institution of choice.
- The aid administrator checks the student's eligibility and determines the Pell Grant amount using the payment schedules published annually by ED. The payment schedules take into account the different costs of attendance (costs of education) at different schools.
- The payment will be within the maximum Pell Grant per year as set by Congress (for example, $2,400 in 1991-92).
- An important part of the SAR is the Payment Voucher that the institution will submit to ED to report individual payments to the student.

The school (usually through the business office) makes the disbursement* to the student. The total Pell Grant is divided into payments for specific payment periods during the award year:

- for programs that are divided into academic terms--semesters, trimesters, or quarters--each academic term is a payment period
- for programs not using academic terms, a program of one academic year or less must be divided into at least two equal payment periods (the school can choose to divide it into more than two periods)

For further information on establishing payment periods and the amounts of payments for each period, see Chapter 4 of the ***Federal Student Financial Aid Handbook*** and the ***Code of Federal Regulations***, 34 CFR 690.63.

In disbursing Pell Grants, institutions may pay students by crediting their accounts for:

- tuition and fees
- room and board, if the student contracts with the school for one or both of these

Institutions may not exceed what the student is required to pay when crediting these amounts. Institutions may use Pell Grant funds to pay other school charges only if the student authorizes such a payment in writing. They may not require the student to authorize such payments.

But how does the institution get the federal funds it needs to disburse Pell Grants? It must obtain them from ED. In June, just before the award year starts, ED notifies the institution of its initial Pell funding level--the initial authorization to pay eligible students. What is the name of the ED document that first informs the institution of its Pell funding level?

Answer: ______________________________.

---

*Remember that the institutional official who awards aid cannot disburse aid.

The initial Pell Grant authorization is based on the school's prior year authorization as well as other factors. The initial Pell Grant authorization can be adjusted as a result of this process:

- the institution submits payment vouchers (PVs) and/or processed payment vouchers (PPVs) or student payment records for each student and the Institutional Payment Summary (IPS) to ED
- if necessary, ED adjusts the authorization level, as seen on the next monthly Statement of Account (SOA)
- the institution continues to report changes in Pell Grant awards, and ED again adjusts the authorization level if necessary

To obtain funds from ED for disbursement to students, the ED/PMS (ED Payment Management System) is used. More information on ED/PMS and practice exercises will be provided in Session 7. The institution draws funds only for immediate disbursement needs.

Recordkeeping, reporting, and account reconciliation are important aspects of Pell. The processes outlined below are covered in detail in Session 8:

- ED sends the institution a Student Payment Summary (SPS), listing amounts paid to students and accepted by ED
- the institution verifies that SPS amounts match actual awards made by the institution, makes corrections on PPVs or student payment records, and sends PPVs or student payment records with corrections to ED
- ED sends the final SPS for the institution to reconcile with the ED/PMS Federal Cash Transaction Report

There is an administrative cost allowance (ACA) to defray the institution's cost of administering the Pell Grant program:

- based on the number of unduplicated student recipients of Pell Grants for the award year
- $5 per SAR
- sent separately to the institution by ED--it must not be taken out of the institution's Pell authorization

In summary, the institution has major fiscal responsibilities in the Pell Grant program.

NOTES AND REFERENCES

2. The Campus-Based Programs: SEOG, CWS, and Perkins Loan

For further information, see *The Blue Book* pages 10 and 12-24.

The main campus-based programs are:

- Supplemental Educational Opportunity Grant (SEOG)
- College Work-Study (CWS)
- Perkins Loan

Most schools develop their own financial aid packaging policy, which specifies the order and proportions in which different types of aid are awarded. Certain regulatory "exceptional need" priorities exist which must be considered in developing the institution's policy. The packaging policy should be in writing, and should be reviewed and approved by the school's top management.

The Income Contingent Loan (ICL) program is campus-based, but it is only in use in 10 pilot institutions, so it will not be covered in detail in this workshop. ICLs are similar to Perkins Loans. One major difference is that yearly repayments will be based on the borrower's previous year adjusted gross income.

The SEOG Program

For further information, see *The Blue Book* pages 10 and 12.

Supplemental Educational Opportunity Grants are for undergraduates with no previous BA or BS degree. Priority is given to Pell Grant recipients with the lowest expected family contributions.

The amount of the SEOG grant is determined by the school, within Title IV SEOG minimums and maximums, based on:

- the student's need
- the SEOG funds available at the institution*
- the institution's student aid packaging policies

*For further information on making SEOG funds available at the institution, see the "Dear Colleague" letter CB-91-8.

The institution's business office makes the disbursement to the student:

- *either* by check or other negotiable instrument no earlier than 10 days before the start of the enrollment period

- *or* by crediting the student's account no earlier than 3 weeks before the beginning of classes

Some institutions wait for students to attend their first class before disbursing aid funds.

But how does the institution get federal funds for this purpose? It must obtain them from ED. In late March, before the award year starts, ED notifies the institution of its campus-based funding levels--the campus-based program allocations. What is the name of the ED document that informs the institution of its campus-based funding level?

Answer: ____.

The allocations are based on the institution's FISAP report to ED, submitted in the Fall of the previous year, and on statutory funding formulas (in the Higher Education Act). Unlike the initial Pell Grant authorization, the campus-based allocations are generally not amended during the year.

Uses of federal SEOG funds:

- the federal share of SEOG grants
- transfer of up to 10% of the allocation to the CWS program
- the administrative cost allowance

For 1991-92 and future award years, the federal share is 85% of each award to students. A nonfederal matching share of 15% must be provided from an institution's own resources.

For further information, see *The Blue Book* page 12.

In summary, the institution has major fiscal responsibilities in the SEOG program.

The CWS Program

For further information, see *The Blue Book* pages 13-15.

College Work-Study (CWS) jobs may be awarded to undergraduate or graduate students, in employment on campus or off campus. CWS jobs must pay at least the federal minimum wage, which was $4.25/hour as of April 1, 1991.

The allowed amount of CWS earnings is determined by the institution, based on:

- the student's need
- the CWS funds available at the institution
- the institution's student aid packaging policies

Uses of federal CWS funds:

- the federal share of the regular CWS and the Community Service Learning (CSL) program wages
- a limited portion of the regular Job Location and Development (JLD) program and the Community Service Job Location and Development (CS/JLD) program expenses
- transfer of up to 10% of the allocation to the SEOG program
- carry forward of up to 10% and carry back of up to 10% of the allocation for use in the CWS program in the next or prior year
- the administrative cost allowance

Be alert to:

- the limits on the percentage of the CWS allocation that can be used in programs such as CSL
- the differences in the nonfederal matching share requirements among the various CWS programs (matching requirements are discussed in detail in Session 5)

In summary, the institution has major fiscal responsibilities in the CWS program.

The Perkins Loan Program

For further information, see *The Blue Book* pages 15-16.

Perkins Loans are low-interest (5%) loans that are made to undergraduate or graduate students. Some students may have outstanding loans at 3% or 4%.

The amount of the Perkins Loan is determined by the institution, based on:

- the student's need
- the availability of Perkins Loan funds at institution
- the institution's student aid packaging policies
- Perkins Loan program maximums and minimums

The Perkins Loan Fund is a revolving fund administered by the institution. Funds for new loans come mainly from:

- new Federal and Institutional Capital Contributions (a 1/9 matching share must be provided by the institution when the Federal Capital Contribution is drawn down and identified as Perkins Loan funds)
- repayments to the Fund of earlier loans
- interest earned on Perkins Loan funds deposited in an interest-bearing account
- ED payments to reimburse the Fund for teacher, military, and Peace Corps/VISTA loan cancellations

Uses of federal Perkins Loan funds:

- loans to eligible students
- litigation and collection costs
- the administrative cost allowance

Reasonable collection costs* for locating borrowers through use of collection firms, commercial skiptrace agencies, and telephone calls can be charged to the Perkins Loan Fund. If your school does its own collecting, the actual costs of collection may be charged to the Fund, including the salaries of staff members involved in loan collection and computer costs associated with collection.

Certain litigation costs* can also be charged to the Fund. These include:

- the actual costs of taking the actions required by ED in bankruptcy proceedings
- the costs of other actions in connection with bankruptcy proceedings, but not to exceed specific percentages of the total judgment obtained against the borrower

After the student graduates, withdraws, or drops to less-than-half-time enrollment, there is a grace period. This is generally 9

*For further information, see *The Blue Book* Appendix E, page E-5. Also, see 34 CFR 674.47 for full details on collection and litigation costs that can be charged to the Perkins Loan Fund.

months, although some borrowers have NDSLs with 6-month grace periods. Repayment begins following this grace period, and the borrower has up to 10 years to repay, depending on certain loan repayment criteria.

There are cancellation and deferment provisions for special circumstances.

- *Cancellation* means that the borrower need no longer repay principal or interest. For example, Perkins Loans may be cancelled for borrowers who teach for five years in schools designated as having a high concentration of students from low-income families. These schools are designated in an Official Directory list published by ED for each academic year.
- *Deferment* means that loan payments may be temporarily suspended. For example, a student with a Perkins Loan who leaves your institution but enrolls in another school may be eligible for deferment of Perkins Loan payments to you.

For more information on cancellation and deferment provisions, see pages Twelve-32 to 33 and 57 to 59 of the 1988 *Self-Instructional Course in Student Financial Aid Administration.* The "Dear Colleague" letter CB-91-7 also has information on cancellation provisions.

There are important due diligence requirements for the management of Perkins Loans and the entire collection process. These include:

- full and timely disclosure to borrowers of their rights and responsibilities
- the use of extensive, persistent, and diligent procedures for loan collection, such as mailing of demand letters and use of credit bureaus and skiptrace agencies

For more information on due diligence requirements, see *The Blue Book* Appendix E.

In summary, the institution has major fiscal responsibilities in the Perkins Loan program, including the administration of the revolving Perkins Loan Fund.

3. The Guaranteed Student Loan (GSL) Programs: Stafford Loan, SLS, and PLUS

For further information, see *The Blue Book* pages 25-30.

The application procedure for all 3 loan programs is as follows:

- the student (and parent, for PLUS) completes the loan application form and brings it to the financial aid administrator

- the aid administrator:
  - determines whether the student or parent qualifies for a loan
  - determines the eligible amount
  - certifies the application, and forwards it to the lender or returns it to the borrower

Stafford Loan Program

For further information, see *The Blue Book* pages 24-25.

The Stafford Loan program provides low-interest loans for undergraduate or graduate students who are enrolled at least half-time:

- for new Stafford borrowers, 8% for the first 4 years of repayment, 10% thereafter
- 7%, 8%, or 9% for borrowers with outstanding Stafford loans, who borrow at their established rate

The allowed amount of the Stafford Loan is determined by the institution, based on the student's need (within the limits of the program). A student who is eligible for a Pell Grant must apply for one before a Stafford loan application can be certified.

Supplemental Loans for Students Program

For further information, see *The Blue Book* pages 27-28.

The SLS program is intended for graduate students and independent undergraduates who are enrolled at least half-time. Dependent undergraduates can borrow only under special documented circumstances--for example, if parents cannot pass the credit check for a PLUS loan. Undergraduates at schools with default rates of 30% or more are ineligible for SLS loans. Also, students admitted under ability to benefit provisions are not allowed to borrow under the SLS program until such time as they receive a high school diploma or its equivalent. SLS loans carry a variable interest rate (related to 91-Day Treasury Bill rates) that is adjusted annually but will not exceed 12%.*

The allowed amount of the SLS Loan is determined by the student's cost of attendance at the institution. The SLS loan plus all other financial aid cannot exceed the cost of attendance at the institution. A student who is eligible for a Pell Grant and/or Stafford loan must apply for them before the application for an SLS loan can be certified.

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*The current rate is 9.34%.

PLUS Program

This program is for parents borrowing on behalf of their children who are dependent graduate or undergraduate students who are enrolled at least half-time. PLUS loans carry a variable interest rate (related to 91-Day Treasury Bill rates) that is adjusted annually but will not exceed 12%.*

The allowed amount of the loan is determined by the student's cost of attendance at the school. The PLUS loan plus all other financial aid cannot exceed the cost of attendance.

Default Reduction and the GSL Programs

As a result of measures taken by ED to reduce defaults, schools with cohort default rates of 35% or more for the three most recent fiscal years will be prohibited from participating in any of the guaranteed student loan programs. This prohibition will last the remainder of the fiscal year in which the notification is made and the next two fiscal years.

For example, suppose a school is notified of loss of eligibility to participate on July 1, 1991. It would not be eligible to reapply for participation in the GSL programs until October 1, 1993.

In summary, schools are involved in important aspects of the processing of Stafford, SLS, and PLUS loans--they have certain specific fiscal responsibilities.

4. Homework Activity--A Title IV Quick-Reference Sheet

Directions: This evening, use these Session 1 materials together with *The Blue Book* Chapter 1 to fill out as much as possible of the Title IV Maximum Loan and Grant Limits Quick-Reference Sheet on page 16. Then, check your work against the complete answers at the back of this guide--the Session 1 Answers.

NOTES AND REFERENCES

For further information, see *The Blue Book* pages 29-30.

*The current rate is 9.34%.

SUMMARY

In this session, we looked at:

- an overview of the seven major Title IV student financial aid programs
- some important differences in student aid concepts, such as grant and scholarship programs *versus* self-help programs
- general eligibility requirements for students to receive Title IV aid
- the Pell Grant program
- the campus-based programs: SEOG, CWS, and Perkins Loan
- the guaranteed student loan programs: Stafford, SLS, and PLUS
- how students apply for these Title IV programs
- program-specific student eligibility requirements
- the delivery system for each of these programs, including the role of the institution and the business office in obtaining and disbursing federal aid

For further information on the topics covered in this session, see *The Blue Book* Chapter 1.

================END OF SESSION 1===============

TITLE IV MAXIMUM LOAN AND GRANT LIMITS QUICK-REFERENCE SHEET

	ANNUAL	*CUMULATIVE*	
Pell Grant	______	______	
SEOG	______	______	
Perkins	______	______	First two years of undergraduate study not yet successfully completed
		______	More than two years of undergraduate study successfully completed
		______	Graduate/professional study (includes all previous undergraduate borrowing)
NOTE: Perkins Loan aggregate figures are lifetime limits, unaffected by repayment.			
Stafford	______	(n/a)	First two years of undergraduate study not yet successfully completed
	______	______	More than two years of undergraduate study successfully completed
	______	______	Graduate/professional study
SLS	______	______	For a program of a full academic year
For first-year undergraduates in a program of less than a full academic year but at least 2/3 of an academic year, SLS loan limit for program: ______			
For first-year undergraduates in a program of less than 2/3 of a full academic year but at least 1/3 of an academic year, SLS loan limit for program: ______			
PLUS	______	______	Per dependent student

NOTE: Repayment of Stafford and SLS Loans restores the aggregate figures, permitting eligible students to establish new limits against which they may borrow in subsequent award years.

PHILOSOPHY OF FINANCIAL AID

- Paying for higher education expenses is primary responsibility of:
    - **student**
    - student's **spouse**
    - student's **parents**

- Consistent and equitable evaluation of family's financial circumstances

SOURCES OF AID

- Institutional
- Private
- State
- Federal

TITLE IV STUDENT FINANCIAL AID

Gift Aid

- Grants
- Scholarships

Self-help Aid

- Loans
- Employment

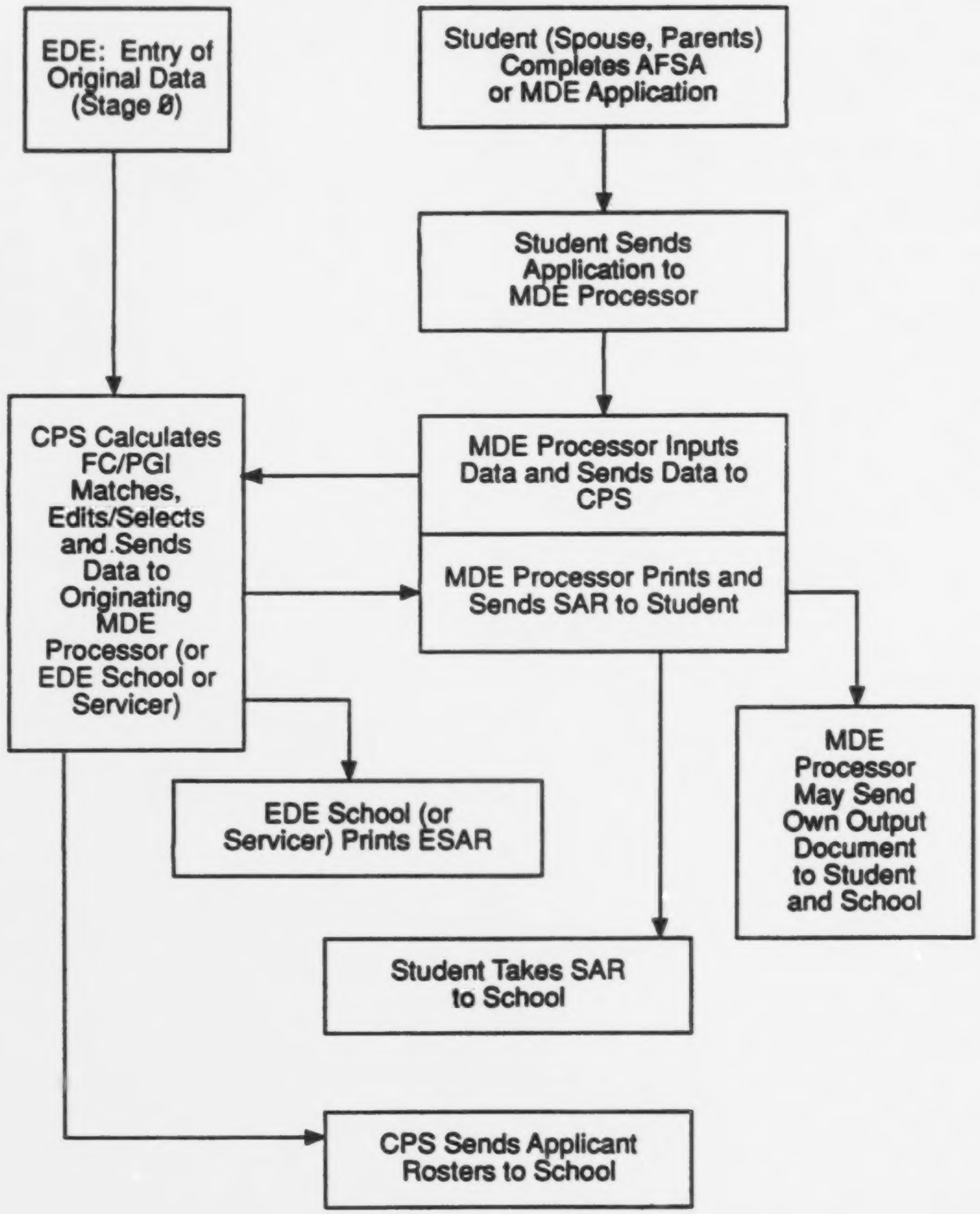
PELL GRANT PROGRAM

- "Floor" of financial aid package
- Undergraduates without baccalaureate degree
- For some recipients, limited to 5 or 6 years (depends on length of undergraduate program)
- Apply for 1991-92 using:
  either ED's ***AFSA***
  or a Multiple Data Entry form
- Student Aid Report (SAR) sent to student
- Student submits SAR to school

OH One-5

FLOW CHART OF 1991-92 TITLE IV DELIVERY SYSTEM

Application Data


EDE: Entry of Original Data (Stage 0)
Student (Spouse, Parents) Completes AFSA or MDE Application
Student Sends Application to MDE Processor
CPS Calculates FC/PGI Matches, Edits/Selects and Sends Data to Originating MDE Processor (or EDE School or Servicer)
MDE Processor Inputs Data and Sends Data to CPS
MDE Processor Prints and Sends SAR to Student
EDE School (or Servicer) Prints ESAR
MDE Processor May Send Own Output Document to Student and School
Student Takes SAR to School
CPS Sends Applicant Rosters to School

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG) PROGRAM

- Campus-Based Program
- Undergraduates without baccalaureate degree
- Priority to Pell Grant recipients with exceptional need
- Award Year Amounts: $100 minimum
  $4,000 maximum

CAMPUS-BASED PROGRAMS
AUTHORIZATION AND DELIVERY SYSTEM

1. Application for Funds by Institution:

- The institution applies for campus-based funds and the annual award year authorization by completing the application portion of the Fiscal Operations Report and Application to Participate (FISAP).

2. Disbursement of Funds to Institution:

- ED determines the institution's campus-based allocation based on statutory and regulatory formulas.
- Institution draws funds from ED/PMS *as needed for authorized purposes.* Total amount drawn cannot exceed allocation level.

3. Student Application:

- Student completes and submits Application for Federal Student Aid (AFSA) or approved MDE or need analysis service application.

OH One-8

CAMPUS-BASED PROGRAMS AUTHORIZATION AND DELIVERY SYSTEM (contd)

4. Eligibility Determination:

- Need analysis calculation establishes the student's expected family contribution for the campus-based programs, the FC.
- Student submits SAR (obtained through AFSA or MDE application) showing the FC; or need analysis servicer submits a need analysis report to the institution; or aid administrator performs a hand calculation to compute the student's FC.
- Institution determines if the student meets general and program-specific eligibility criteria.
- Institution verifies application data submitted by student, if student is selected for verification or institution has conflicting information.

5. Calculation of Campus-Based Award:

- Institution determines amount of student's award based on student's need, availability of aid funds at the institution, and the institution's student aid packaging policies.

OH One-9

CAMPUS-BASED PROGRAMS AUTHORIZATION AND DELIVERY SYSTEM (contd)

6. Disbursement of Funds to Student:

- Institution pays student directly by check or by crediting the student's account.
- Institution disburses SEOG grants and Perkins Loans at least twice a year; school or off-campus employer pays CWS student employees at least once a month. (Note: Federal share of CWS must be paid by check or similar instrument.)

7. Recordkeeping, Reporting, and Account Reconciliation:

- Institution collects loan repayments and deposits them in revolving Perkins Fund.
- Institution reports defaulted loan accounts to credit bureaus and also refers them for collection and litigation. Some states or local jurisdictions may allow tax offsets for state or local taxes.
- Institution reports use of funds on the annual FISAP form.
- Institution ensures that awards listed on the FISAP agree with amounts reflected on its Title IV ledgers and the ED/PMS Federal Cash Transactions Report.
- Institution resolves any finding listed in the audit report issued by the non-federal auditor of the campus-based programs.

ANNUAL SEOG ALLOCATION

May provide:

- Grants to eligible students
- Administrative cost allowance

Additional use:

- Additional student employment dollars through transfer of up to 10% of the SEOG allocation to the CWS program

COLLEGE WORK-STUDY (CWS) PROGRAM

- Campus-Based Program
- Undergraduate and graduate students
- Eligible Employers
  - -- On or off campus
  - -- Student services jobs at proprietary institutions
  - -- Federal, state, or local public agencies (except ED)
  - -- Private nonprofit organizations
  - -- Private for-profit organizations in academically relevant jobs

ANNUAL CWS ALLOCATION

Can be used for *4 programs*:

- Federal share of wages in ***regular CWS program***

  (wages for CWS employment in the public and private nonprofit sectors as well as the private, for-profit sector)

- Federal share of wages in a ***Community Service Learning (CSL) program***

- Limited portion of a ***regular Job Location and Development (JLD) program***

- Limited portion of a ***Community Services Job Location and Development (CS/JLD) program***

ANNUAL CWS ALLOCATION

Additional uses:

- CWS allocation for *prior* or *next* award year (up to 10% carry forward/carry back)

- Additional SEOG awards, by transferring up to 10% to the SEOG program

- Administrative cost allowance for the regular CWS and CSL programs

PERKINS LOAN PROGRAM

- Campus-Based Program
- Undergraduate and graduate students
- Priority to students with exceptional financial need
- Interest Rate: 5%
- Aggregate Loan Amounts
  - --$4,500 for first 2 years of a vocational program or a program leading to a baccalaureate degree
  - --$9,000 for undergraduate who has completed 2 years of study toward a baccalaureate degree
  - --$18,000 for undergraduate and graduate study

ANNUAL PERKINS ALLOCATION

May provide:

- Loans to eligible students
- Litigation and collection costs
- Administrative cost allowance

PERKINS LOAN REPAYMENT

- 9-month ***grace period*** (6 months for Defense loans and Direct loans made before October 1, 1980)
- up to ***10 years*** repayment period (subject to repayment minimums)
- ***cancellation***--borrower need no longer repay principal or interest
- ***deferment***--loan payments temporarily suspended
  - -- after each deferment, 6-month post-deferment grace period (except for hardship deferments)

OH One-17

STAFFORD LOAN PROGRAM

- Undergraduate and graduate students
- All borrowers must demonstrate need
- Interest rate:

-- ***new borrowers:***

8% through 4th year of repayment

10% 5th year and beyond

--***old borrowers:***

7%, 8%, or 9% (existing rate applied to further loans)

STAFFORD LOAN AWARDS

- ***Annual*** maximum amounts:
  - -- $2,625 first two years of undergraduate study
  - -- $4,000 more than two years of undergraduate study successfully completed
  - -- $7,500 graduate and professional study

- ***Aggregate*** maximum amounts:
  - -- $17,250 undergraduate
  - -- $37,500 graduate/professional
  - -- $54,750 all study

- Deferment provisions

SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM

- Graduate students, independent undergraduates, and some dependent undergraduates
- Interest rate: related to 91-Day Treasury Bill rates, not to exceed 12%
- Aggregate Loan Amounts
  - -- $4,000 per academic year (but lower limits for first-year undergraduates in programs of less than an academic year)
  - -- $20,000 total for undergraduate ***or*** graduate
- Repayment begins 60 days after disbursement
- Up to 10 years repayment period; deferment provisions

PLUS LOANS

- ***Parents*** borrow for dependent graduate or undergraduate students

- Interest rate: related to 91-Day Treasury Bill rates, not to exceed 12%

- Maximum awards:

  -- $4,000 per academic year ($20,000 total) for each eligible dependent student

- Repayment begins 60 days after disbursement

- Up to 10 years repayment period; some deferment provisions (however, repayment of *interest only* would begin 60 days after disbursement)

SUMMARY OF THIS SESSION

- Overview of 7 major Title IV student aid programs
- Some important differences in student aid concepts, such as grant/scholarship programs *versus* self-help programs
- General eligibility requirements for students to receive Title IV aid
- Pell Grant program
- Campus-based programs: SEOG, CWS, and Perkins Loan
- Guaranteed student loan programs: Stafford, SLS, and PLUS
- How students apply for Title IV programs
- Program-specific student eligibility requirements
- Delivery system for each program, including role of institution and business office in obtaining and disbursing federal aid

SESSION
2

LEDGER ACCOUNTS FOR THE TITLE IV PROGRAMS

OVERVIEW

(1½ HOURS)

A. Orientation to Session 2

B. Overview of Fiscal Operations
   1. Financial Management Systems
   2. Bookkeeping and Recordkeeping Activities

C. Accounting and the Title IV Programs
   1. Normal Rules, Overview and Chart of Ledger Accounts
   2. Detailed Descriptions of Ledger Accounts, Including Contra Accounts
   3. Group Activity--Pell Grant Journal Entries and General Ledger (T-Account and Cumulative Balance Formats)

D. Internal Control: Checks and Balances
   1. Overview of Checks and Balances
   2. Group Activity--Trial Balances for Individual Programs

MAIN OBJECTIVES

- Participants will identify the appropriate ledger accounts in T-account and cumulative balance formats for a variety of typical transactions

- Participants will describe important restrictions to bear in mind while working with ledger accounts in the T-account and cumulative balance formats

- Participants will make the appropriate journal entries for a variety of typical transactions

- Participants will perform a trial balance for an individual Title IV program

A. ORIENTATION TO SESSION 2

This session will help answer questions like:

- What are the basic responsibilities of a financial management system?
- How should ledger accounts be set up for ED/PMS (the Department of Education's Payment Management System) and the Title IV programs?
- How are typical transactions entered in the ED/PMS ledgers and program ledgers?
- Are there any restrictions to check for when making ledger account entries?
- What checks and balances should be part of your fiscal operations?

B. OVERVIEW OF FISCAL OPERATIONS

For further information, see *The Blue Book* pages 98-99.

1. Financial Management Systems

The main purpose of financial management systems is to exercise control over funds and accountability for the receipt and disbursement of federal financial aid funds. There is a division of responsibility*--in most institutions, the Financial Aid Office is responsible for:

- many of the detailed records and files on individual students
- determining eligibility for payment

In general, the Business Office is responsible for:

- all financially-oriented accounting and recording activities
- preparation for, and participation in, financial audits

Your financial management system must provide answers to a number of key questions, shown in boldface:

*For further information, see *The Blue Book* pages 43-46.

- disclosure of financial results: **"How much of permissible amounts, by program, was spent?"**
- identification of the source and application of funds: **"Which program funded which expense?"**
- effective control over funds: **"Are you safeguarding against disallowable* uses of funds?"**
- comparison of cash disbursements (or accrual expenditures) with budgeted amounts for each program: **"Did you spend according to the amounts you were authorized to spend?"**
- procedures for timely disbursement and drawdown: **"Does your system let you: 1) correctly identify the amount needed 2) draw down from ED/PMS and disburse according to timing requirements set by programs?"**
- procedures in accordance with the applicable terms of the Title IV programs for determining the reasonableness, allowability, and allocability of costs
- a sufficient audit trail: **"Is there a clear trail from authorization for payment to the amount paid?"** (applies to transactions on the behalf of individual student recipients and on a larger scale, to the tracking of program funds in general)
- external and internal audits: **"Are you having audits performed according to the federal requirements?"**

*For example, *disbursing funds to students who are not enrolled for the payment period* and *disbursing funds to pay parking fines* are disallowable uses of funds.

2. Bookkeeping and Recordkeeping Activities

For further information, see *The Blue Book* pages 99-102.

In your office's bookkeeping and recording activities, you should:

- clearly understand the separate reporting and recordkeeping responsibilities for your office, as compared with those of other institutional offices**
- encourage cooperation among institutional offices
- set up your office's accounting system to correspond with reporting requirements

The FISAP and other year end reports can be completed easily by transferring bottom-line figures to the reports. Much of the information may be obtained directly from the student master record.*** This is particularly useful when reporting activity in the Perkins Loan program.

**Pages 43-46 of *The Blue Book* list some of the major reporting and recordkeeping activities of the business office

***For further information, see *The Blue Book* pages 87-91.

In recordkeeping in the financial aid office, what are examples of "initial documents"?

Answer:

For further information, see *The Blue Book* page 100.

The notation of the receipt of these initial documents in the financial aid office, and some of the information on them, are sometimes stored in a computerized system, so counselors can bring them up on a computer screen when counseling students instead of retrieving the original documents.

In accounting in the business office, what are examples of "initial documents"?

Answer:

For further information, see *The Blue Book* page 101.

Notation of information from these initial documents received in the business office is usually entered into a computerized system, such as a cash receipts journal, check register, *etc.*

C. ACCOUNTING AND THE TITLE IV PROGRAMS

For further information, see *The Blue Book* pages 102-140.

1. Normal Rules, Overview and Chart of Ledger Accounts

The normal rules for debiting and crediting accounts are:

- Debit/left
- Credit/right

For further information, see *The Blue Book* page 102.

There are 7 basic ledger accounts that may be needed for each of the Title IV programs and ED/PMS--see numbers 1 through 7 on the next page. There is a detailed summary chart of ledger accounts in *The Blue Book*. It shows which accounts are *actually* needed for each aspect of Title IV.

For further information, see *The Blue Book* pages 103-106.

Working by yourself, complete the activity on the next page. You have 5 minutes.

Working by yourself, **complete the following grid**. For ED/PMS and the Title IV programs, **shade out** each block where **no** ledger account is needed. Refer to *The Blue Book* pages 104-106 for help.

- *Example:* ED/PMS has no Asset Reduction Accounts, so this block has already been shaded out as an example.

	ED/PMS	*Pell Grant*	*SEOG*	*CWS*	*Perkins Loan*
1.	Asset Accounts	Asset Accounts	Asset Accounts	Asset Accounts	Asset Accounts
2.	**Asset Reduction Accounts**	Asset Reduction Accounts	Asset Reduction Accounts	Asset Reduction Accounts	Asset Reduction Accounts
3.	Liability Accounts	Liability Accounts	Liability Accounts	Liability Accounts	Liability Accounts
4.	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)
5.	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts
6.	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)
7.	Expense Accounts	Expense Accounts	Expense Accounts	Expense Accounts	Expense Accounts

- The open blocks in this completed grid will serve as a useful quick reference for the overall structure of needed ledger accounts.

You need a set of ledger accounts for ED/PMS and for each Title IV program you participate in. Within each program, the sum of the ledger accounts with debit balances will equal the sum of the ledger accounts with credit balances.

In most computerized systems, debit entries and debit balances are shown without any extra notation--no DR or plus signs. However, credit entries and credit balances may be shown with CR or minus signs before or after the figures, or parentheses around the figures. These examples all mean the same thing:

• Total credit balances	286,717 CR
• Total credit balances	- 286,717
• Total credit balances	(286,717)

Each set of ledger accounts for a program is:

- self-balancing
- separated completely from other accounts
- separated from the operating fund of the institution (this is very important)

Ledger accounts are descriptive of all fund activity. Title IV regulations require ledger accounts for fiscal activities such as:

- Award Authorization
- Administrative Cost Allowance
- Nonfederal matching contribution for CWS and SEOG awards
- Institutional Capital Contribution to the Perkins Loan Fund
- Auditing Stafford and SLS checks

These required accounts are included within the overall structure of our seven types of ledger accounts. All reporting requirements can be met with data taken from these accounts.

2. Detailed Description of Ledger Accounts, Including Contra Accounts

The Blue Book has detailed descriptions of each ledger account, pages 107-130, including contra accounts--accounts that require corresponding entries to those of cash accounts.

Contra Accounts Example 1--Page 107 of *The Blue Book:*

- after debiting *Cash Control, ED/PMS (#1-1)* for cash received, *credit* the contra account *Accounts Receivable, ED/PMS (#1-2)* for the same amount
- the cash control account (#1-1) records the amount drawn down, the contra account (#1-2) reduces the authorization by the amount of cash received

Contra Accounts Example 2:

- after debiting *Cash, Perkins Loans (# 1-1)* with the amount of an institutional cash contribution, what else do you do?

  Answer: ____________________________________
  ____
  ____

Pages 131-140 of *The Blue Book* show many detailed examples of journal entries for ED/PMS and Title IV programs. These are important reference materials. However, in our limited workshop time, we want to show the relationship between journal entries and general ledgers. We will use the Pell Grant program as our example.

3. Group Activity--Pell Grant Journal Entries and General Ledger

Directions: The next 4 pages show Pell Grant journal and Pell Grant general ledger entries for a complete award year. Some of the journal entries need to be completed, based on the description given, and parts of the general ledger need to be filled out. *Boxes* show where a line of missing information is needed. Work in groups to complete the journal and ledger. You have 15 minutes.

PELL GRANT JOURNAL ENTRIES FOR A COMPLETE AWARD YEAR AT SAMPLE COLLEGE

Date	Description	General Ledger Acct	Debit	Credit
A. To record cash transferred from the ED/PMS for the coming fall term.				
09/01/X1	Cash, Pell Grants	1 - 1	164,373	
	Transfer from ED/PMS	6 - 1		164,373
B. To record Pell Grants paid to students for the fall term.				
09/03/X1	Student Grants Paid	7 - 1	164,373	
C. To record $13,698 in cash transferred from the ED/PMS on 10/29/X1 to pay for the remaining grants for the fall term.				
10/29/X1	Cash, Pell Grants	1 - 1	13,698	
D. To record the remaining $13,698 in Pell Grants paid to students for the fall term on 10/31/X1.				
10/31/X1	Student Grants Paid	7 - 1	13,698	
E. To record cash transferred from the ED/PMS for the coming spring term.				
01/05/X2	Cash, Pell Grants	1 - 1	157,523	
F. To record Pell Grants paid to students for the spring term.				
01/07/X2	Student Grants Paid	7 - 1	157,523	

G. To record $6,849 in cash transferred from the ED/PMS on 02/26/X2 for the remaining spring term.

02/26/X2 Cash, Pell Grants 1 - 1 6,849

H. To record the remaining Pell Grants paid to students for the spring term.

02/28/X2 Student Grants Paid 7 - 1 6,849

I. CLOSING ENTRY: To close out the revenue and expenditure account for the program year ended 06/30/X2.

06/30/X2 Transfer From ED/PMS 6 - 1 342,443

PELL GRANT GENERAL LEDGERS

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

T-ACCOUNT FORMAT

07/01/X1	Balance Forward	-0-			
10/29/X1	From ED/PMS	13,698			
			10/31/X1	Pell Grants paid	13,698
01/05/X2	From ED/PMS	157,523			
			02/28/X2	Pell Grants paid	6,849
06/30/X2	Ending Balance	-0-			

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
10/29/X1	From ED/PMS	13,698		13,698
10/31/X1	Pell Grants paid		13,698	-0-
01/05/X2	From ED/PMS	157,523		157,523
02/28/X2	Pell Grants paid		6,849	-0-

TRANSFER FROM ED/PMS - PELL GRANTS
GENERAL LEDGER ACCOUNT 6 - 1

T-ACCOUNT FORMAT

	07/01/X1	Balance Forward	-0-
	01/05/X2	From ED/PMS	157,523
	02/26/X2	From ED/PMS	6,849
	06/30/X2	Ending Balance	-0-

TRANSFER FROM ED/PMS - PELL GRANTS
GENERAL LEDGER ACCOUNT 6 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
01/05/X2	Cash transfer in		157,523	(335,594)
02/26/X2	Cash transfer in		6,849	(342,443)

PELL GRANTS PAID
GENERAL LEDGER ACCOUNT 7 - 1

T-ACCOUNT FORMAT

10/31/X1	Fall term pymts	13,698			
01/07/X2	Spring term pymts	157,523			
			06/30/X2	Closing Entry	342,443
06/30/X2	Ending Balance	-0-			

PELL GRANTS PAID
GENERAL LEDGER ACCOUNT 7 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
10/31/X1	Fall term payments	13,698		178,071
01/07/X2	Spring term payments	157,523		335,594
06/30/X2	Closing Entry		342,443	-0-

The Blue Book gives further examples of journal entries. When reading it, watch out for Title IV rules and restrictions and other important points to consider when making journal entries:

- transfer of funds between CWS and SEOG
- carry forward/carry back
- CWS payroll
- payment of taxes to various agencies on behalf of CWS students
- payment to institution of federal share of JLD expenses
- refunds of grants paid
- institution's 1/9 match (ICC) for Perkins Loan program
- cancellations of principal and interest for Perkins Loan program
- return of federal portion of Perkins Loan Fund capital to U.S. Government
- collection of amount previously written off (Perkins Loan program)
- repayment of litigation expenses
- receipt of payment with a penalty charge added
- closing of awards
- expenditure disallowance and remittance to NFC
- closing of revenue account to expense account, year-end
- amounts advanced to students who have terminated enrollment
- return of amount advanced to a student
- distribution of pooled cash
- billing from NFC for excess cash and subsequent remittance
- deobligation of unused campus-based funds

Example: Can you name four important points you might want to double-check when making entries for *transfers from the CWS program?*

1. ____

____

2. ____

____

NOTES AND REFERENCES

For further information, see *The Blue Book* pages 131-140.

3. ______________________________

____

4. ______________________________

____

D. INTERNAL CONTROL: CHECKS AND BALANCES

For further information, see *The Blue Book* pages 141-148.

1. Overview of Checks and Balances

The institution must separate the functions of authorizing and disbursing Title IV aid:

- the institutional officer who qualifies a student for receipt of Title IV aid does not make payment of that aid
- typically, the financial aid administrator is responsible for determining student eligibility for financial aid, while business officer credits the student's account or otherwise disburses aid to the student

In the business office, you must:

- Take monthly trial balances (to determine whether accounts are in balance).
- Reconcile cash monthly (reconcile book and bank balances).
- Reconcile federal funds quarterly (reconcile between bank and federally reported balances for cash).
- Separate the functions of reconciling cash and federal funds from the functions of cash receipt and disbursement.
- Perform monthly reconciliations between control accounts and subsidiary accounts. (Each student is a subsidiary account; when these subsidiary accounts are added, the total should agree with the general ledger control account.) The taking of a trial balance and the reconciliation of cash needs to be performed monthly. Also, all Title IV accounts must be reconciled monthly.

- Arrange audits using nonfederal auditors (independent certified public accountants) at the proper times as required by regulations. The frequency of nonfederal audits depends on the audit method used, as will be described in Session 3.

For each Title IV recipient, you must:

- document the application of aid to the student's account
- document all payments of remaining amounts of aid which are made directly to the student
- identify clearly for each award payment:
  --the awarding program
  --the payment period for which payment is made
  --the date on which payment was made
  --the form of payment
- document that all institutional refunds were returned to the Pell and/or campus-based programs within 30 days and to the Stafford/SLS/PLUS lender within 60 days

You must set up a system of batch control, so that for each batch of transactions you will:

- enter the number of transactions
- enter the total dollar amount of all transactions
- compare the batch entry totals to the control figures to prevent loss and tampering

2. Group Activity--Trial Balances for Individual Programs

Directions: Your task is to perform a trial balance of Sample College's ED/PMS ledger balances and *some* of the college's Title IV programs--specifically, its Pell and SEOG programs. Take the financial information you need from the Pell Grant ledgers on pages 9-11 and the other ledgers on pages 17-20 of this guide. As your model, use the trial balance format shown in the overhead transparencies you have already seen in this session. Work with your group to write out 3 complete trial balances on the 3 worksheets on the next 2 pages. You have 10 minutes.

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
ED/PMS ACCOUNTS
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
	TOTAL DEBITS AND CREDITS	=======	=======

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
PELL GRANT LEDGER BALANCES
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
	TOTAL DEBITS AND CREDITS	=======	=======

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
SEOG LEDGER BALANCES
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
		_______	_______
	TOTAL DEBITS AND CREDITS		
		=======	=======

==

SUMMARY

In this session, we looked at:

- fiscal operations, including financial management systems and bookkeeping and recordkeeping activities
- accounting requirements and the Title IV programs, including:
    - -- normal rules
    - -- chart of accounts
    - -- the 7 general types of ledger accounts needed for Title IV programs
    - -- contra accounts
    - -- journal entries and posting to the general ledger
    - -- the T-account and cumulative balance formats
- internal control, and the need for checks and balances
- trial balances for individual Title IV programs

For further information on the topics covered in this session, see *The Blue Book* Chapter 4.

==================END OF SESSION 2==================

APPENDIX TO SESSION 2: LEDGER INFORMATION NEEDED TO PERFORM THE "TRIAL BALANCE" FOR SAMPLE COLLEGE

----- ED/PMS GENERAL LEDGER -----

CASH CONTROL, ED/PMS
GENERAL LEDGER ACCOUNT 1 - 1

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/01/X1	EFT Funds Received	427,167		427,167
09/01/X1	Transfer to Programs		427,167	-0-
09/28/X1	EFT Funds Received	9,440		9,440
09/28/X1	Transfer to Programs		9,440	-0-
10/29/X1	EFT Funds Received	36,967		36,967
10/29/X1	Transfer to Programs		36,967	-0-
11/28/X1	EFT Funds Received	12,980		12,980
11/28/X1	Transfer to Programs		12,980	-0-
12/29/X1	EFT Funds Received	12,980		12,980
12/29/X1	Transfer to Programs		12,980	-0-
01/05/X2	EFT Funds Received	289,413		289,413
01/05/X2	Transfer to Programs		289,413	-0-
01/29/X2	EFT Funds Received	10,620		10,620
01/29/X2	Transfer to Programs		10,620	-0-
02/26/X2	EFT Funds Received	25,563		25,563
02/26/X2	Transfer to Programs		25,563	-0-
03/29/X2	EFT Funds Received	12,980		12,980
03/29/X2	Transfer to Programs		12,980	-0-
04/28/X2	EFT Funds Received	11,800		11,800
04/28/X2	Transfer to Programs		11,800	-0-
05/29/X2	EFT Funds Received	12,980		12,980
05/29/X2	Transfer to Programs		12,980	-0-
06/28/X2	EFT Funds Received	12,440		12,440
06/28/X2	Transfer to Programs		12,440	-0-

EFT = Electronic Fund Transfer

ACCOUNTS RECEIVABLE, ED/PMS
GENERAL LEDGER ACCOUNT 1 - 2

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
06/15/X1	Awards for 19X1-X2	717,887		717,887
09/01/X1	EFT Funds Received		427,167	290,720
09/28/X1	EFT Funds Received		9,440	281,280
10/28/X1	EFT Funds Received		36,967	244,313
11/28/X1	EFT Funds Received		12,980	231,333
12/15/X1	Additional Pell Auth	162,443		393,776
12/29/X1	EFT Funds Received		12,980	380,796
01/05/X2	EFT Funds Received		289,413	91,383
01/29/X2	EFT Funds Received		10,620	80,763
02/26/X2	EFT Funds Received		25,563	55,200
03/29/X2	EFT Funds Received		12,980	42,220
04/28/X2	EFT Funds Received		11,800	30,420
05/29/X2	EFT Funds Received		12,980	17,440
06/28/X2	EFT Funds Received		12,440	5,000

AWARD AUTHORIZATION, ED/PMS
GENERAL LEDGER ACCOUNT 4 - 1

			Subsidiary Amounts				
		Control	19X1/X2				19X2/X3
Date	Description	Amount	Pell	SEOG	CWS	Perkins	CWS
07/01/X1	Balance Forward	-0-	-0-	-0-	-0-	-0-	
06/16/X1	Awards X1/X2	(717,887)	(180,000)	(296,717)	(116,000)	(125,170)	
08/10/X1	Tr. SEOG to CWS	-0-		10,000	(10,000)		
	Balance	(717,887)	(180,000)	(286,717)	(126,000)	(125,170)	
08/10/X1	Tr. CWS to X2/X3	-0-			5,000		(5,000)
	Balance	(717,887)	(180,000)	(286,717)	(121,000)	(125,170)	(5,000)
12/15/1	Addl. Pell Award	(162,443)	(162,443)				
	Balance	(880,330)	(342,443)	(286,717)	(121,000)	(125,170)	(5,000)
06/30/X2	Closing Entry	875,330	342,443	286,717	121,000	125,170	
	Ending Balance	(5,000)	-0-	-0-	-0-	-0-	(5,000)

EXPENDED FUNDS, ED/PMS
GENERAL LEDGER ACCOUNT 4 - 2

			Subsidiary Amounts			
		Control	19X1/X2			
Date	Description	Amount	Pell	SEOG	CWS	Perkins
07/01/X1	Balance Forward	-0-	-0-	-0-	-0-	-0-
09/01/X1	Tr. to Programs	427,167	164,373	137,624	-0-	125,170
	Balance	427,167	164,373	137,624	-0-	125,170
09/28/X1	Tr. to Programs	9,440	-0-	-0-	9,440	-0-
	Balance	436,607	164,373	137,624	9,440	125,170
10/28/X1	Tr. to Programs	36,967	13,698	11,469	11,800	-0-
	Balance	473,574	178,071	149,093	21,240	125,170
11/28/X1	Tr. to Programs	12,980	-0-	-0-	12,980	-0-
	Balance	486,554	178,071	149,093	34,220	125,170
12/29/X1	Tr. to Programs	12,980	-0-	-0-	12,980	-0-
	Balance	499,534	178,071	149,093	47,200	125,170
01/05/X2	Tr. to Programs	289,413	157,523	131,890	-0-	-0-
	Balance	788,947	335,594	280,983	47,200	125,170
01/29/X2	Tr. to Programs	10,620	-0-	-0-	10,620	-0-
	Balance	799,567	335,594	280,983	57,820	125,170
02/26/X2	Tr. to Programs	25,563	6,849	5,734	12,890	-0-
	Balance	825,130	342,443	286,717	70,800	125,170
03/29/X2	Tr. to Programs	12,980	-0-	-0-	12,980	-0-
	Balance	838,110	342,443	286,717	83,780	125,170
04/28/X2	Tr. to Programs	11,800	-0-	-0-	11,800	-0-
	Balance	849,910	342,443	286,717	95,580	125,170
05/29/X2	Tr. to Programs	12,980	-0-	-0-	12,980	-0-
	Balance	862,890	342,443	286,717	108,560	125,170
06/28/X2	Tr. to Programs	12,440	-0-	-0-	12,440	-0-
	Balance	875,330	342,443	286,717	121,000	125,170

----- SEOG GENERAL LEDGER -----

CASH, SEOG GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/01/X1	From ED/PMS	137,624		137,624
09/01/X1	From Institution	17,937		155,561
09/03/X1	SEOGs Disbursed		147,916	7,645
09/03/X1	ACA Payment		7,645	-0-
10/29/X1	From ED/PMS	11,469		11,469
10/29/X1	From Institution	911		12,380
10/31/X1	SEOGs Disbursed		11,743	637
10/31/X1	ACA Payment		637	-0-
01/05/X2	From ED/PMS	131,890		131,890
01/05/X2	From Institution	16,982		148,872
01/07/X2	SEOGs Disbursed		141,544	7,328
01/07/X2	ACA Payment		7,328	-0-
02/26/X2	From ED/PMS	5,734		5,734
02/26/X2	From Institution	456		6,190
02/28/X2	SEOGs Disbursed		5,871	319
02/28/X2	ACA Payment		319	-0-

TRANSFER FROM ED/PMS - SEOG
GENERAL LEDGER ACCOUNT 6 - 1

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/01/X1	Cash Transfer in		137,624	(137,624)
10/29/X1	Cash Transfer in		11,469	(149,093)
01/05/X2	Cash Transfer in		131,890	(280,983)
02/26/X2	Cash Transfer in		5,734	(286,717)
06/30/X2	Closing Entry	286,717		-0-

INSTITUTION'S CASH CONTRIBUTION
GENERAL LEDGER ACCOUNT 6 - 2

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/01/X1	Cash Transfer in		17,937	(17,937)
10/29/X1	Cash Transfer in		911	(18,848)
01/05/X2	Cash Transfer in		16,982	(35,830)
02/26/X2	Cash Transfer in		456	(36,286)
06/30/X2	Closing Entry	36,286		-0-

INSTITUTION'S NONCASH CONTRIBUTION
GENERAL LEDGER ACCOUNT 6 - 3

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/03/X1	Tuition Waiver		5,000	(5,000)
10/31/X1	Tuition Waiver		1,000	(6,000)
01/07/X2	Tuition Waiver		5,000	(11,000)
02/28/X2	Tuition Waiver		500	(11,500)
06/30/X2	Closing Entry	11,500		-0-

SEOG GRANTS PAID
GENERAL LEDGER ACCOUNT 7 - 1

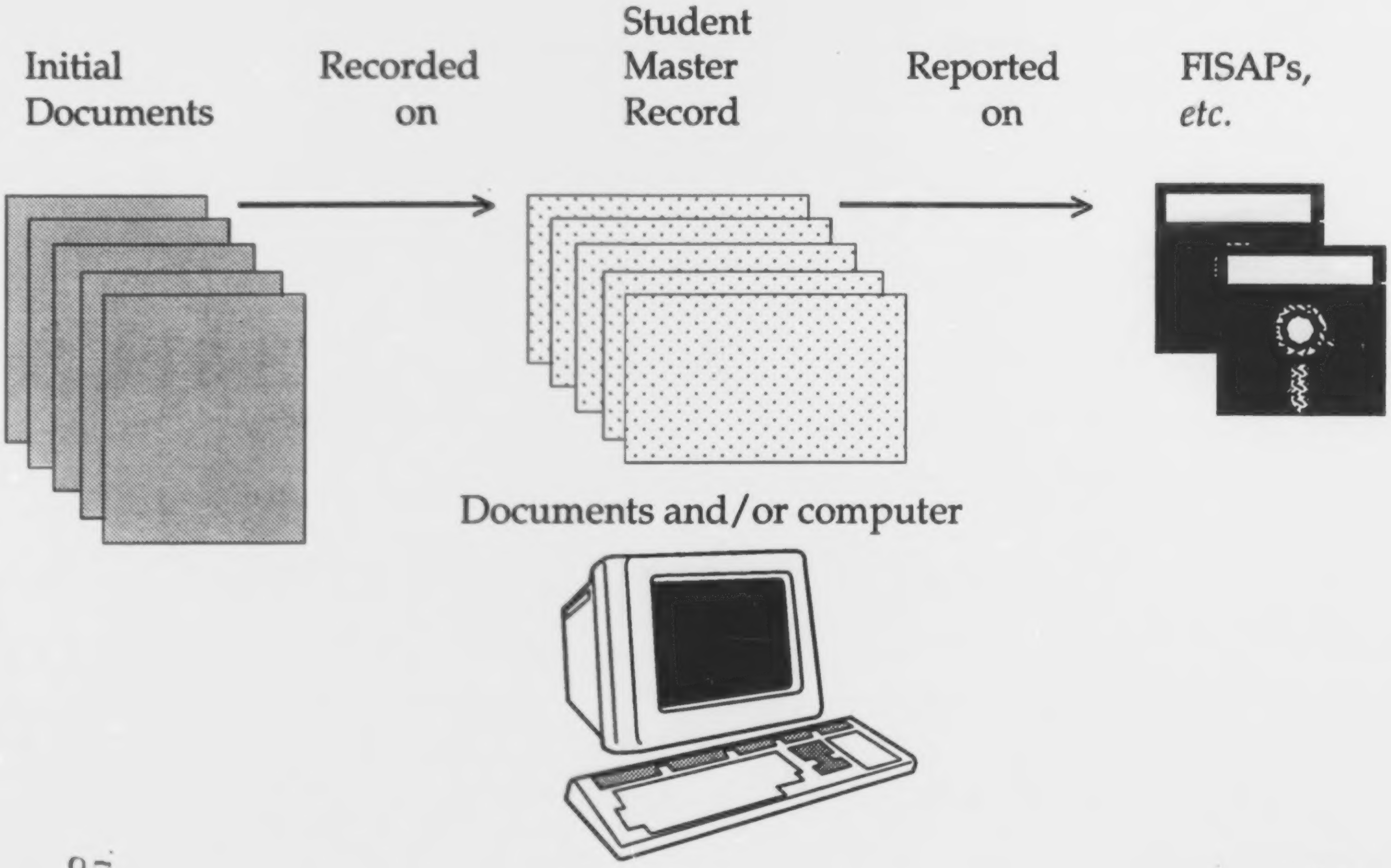
Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/03/X1	Fall Term Payments	147,916		147,916
09/03/X1	Fall Term Tuition Waiver	5,000		152,916
10/31/X1	Fall Term Payments	11,743		164,659
10/31/X1	Fall Term Tuition Waiver	1,000		165,659
01/07/X2	Spring Term Payments	141,544		307,203
01/07/X2	Spring Term Tuition Waiver	5,000		312,203
02/28/X2	Spring Term Payments	5,871		318,074
02/28/X2	Spring Term Tuition Waiver	500		318,574
06/30/X2	Closing Entry		318,574	-0-

ADMINISTRATIVE COST ALLOWANCE PAID TO INSTITUTION
GENERAL LEDGER ACCOUNT 7 - 2

Date	Description	DR	CR	DR/ (CR) BAL
07/01/X1	Balance Forward			-0-
09/03/X1	Payment	7,645		7,645
10/31/X1	Payment	637		8,282
01/07/X2	Payment	7,328		15,610
02/28/X2	Payment	6,371		21,981
06/30/X2	Closing Entry		21,981	-0-

OH Two-1

OVERVIEW OF RECORDKEEPING ACTIVITIES IN THE FINANCIAL AID OFFICE



Initial Documents

Recorded on

Student Master Record

Reported on

FISAPs, *etc.*

Documents and/or computer

OH Two-2

EXAMPLES OF INITIAL DOCUMENTS IN THE FINANCIAL AID OFFICE

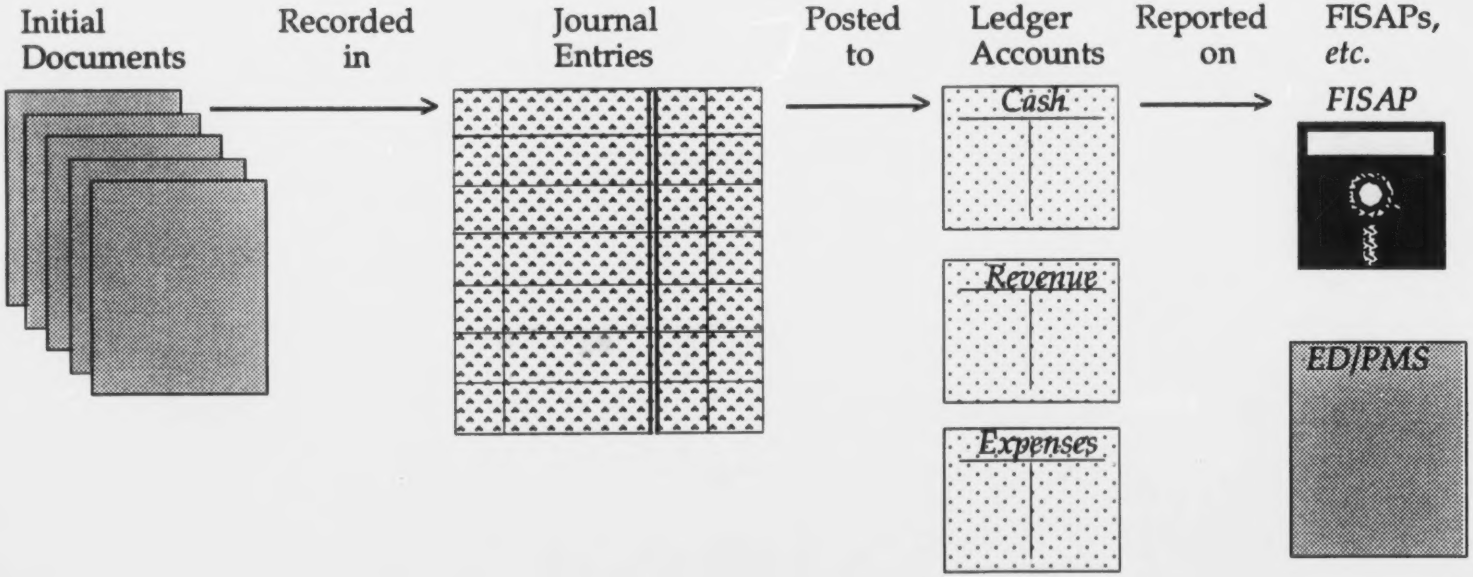
1. Student's application for aid
2. Student's award notification from institution
3. Student's acceptance letter
4. Authorization to disburse (from aid office to fiscal office)
5. SAR Part 1
6. Statement of Educational Purpose/Certification Statement on Refunds and Default
7. Statement of Registration Status
8. Statement of Updated Information

From Pell recipients only:

9. Anti-Drug Abuse Act Certification
10. Verification information such as Federal income tax returns

OH Two-3

OVERVIEW OF ACCOUNTING ACTIVITIES IN THE BUSINESS OFFICE



Initial Documents → Recorded in → Journal Entries → Posted to → Ledger Accounts → Reported on → FISAPs, *etc.*

Ledger Accounts:
- *Cash*
- *Revenue*
- *Expenses*

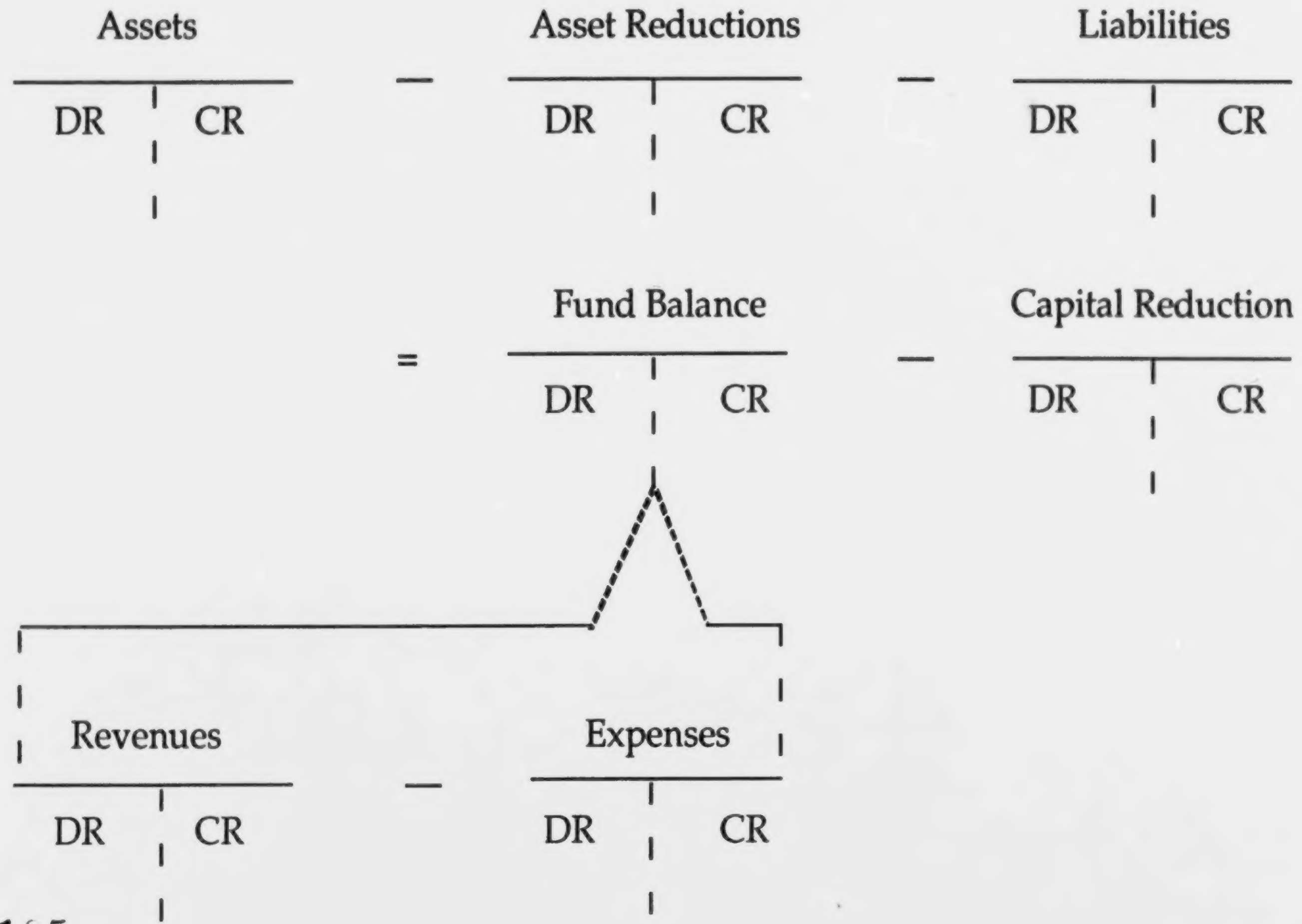
FISAPs, *etc.*:
- *FISAP*
- *ED/PMS*

EXAMPLES OF INITIAL DOCUMENTS IN THE BUSINESS OFFICE

1. cash receipts
2. checks
3. original journals

- May be recorded in computerized systems

NORMAL RULES FOR DEBITING AND CREDITING ACCOUNTS



Assets — Asset Reductions — Liabilities

DR | CR — DR | CR — DR | CR

= Fund Balance — Capital Reduction

DR | CR — DR | CR

Revenues — Expenses

DR | CR — DR | CR

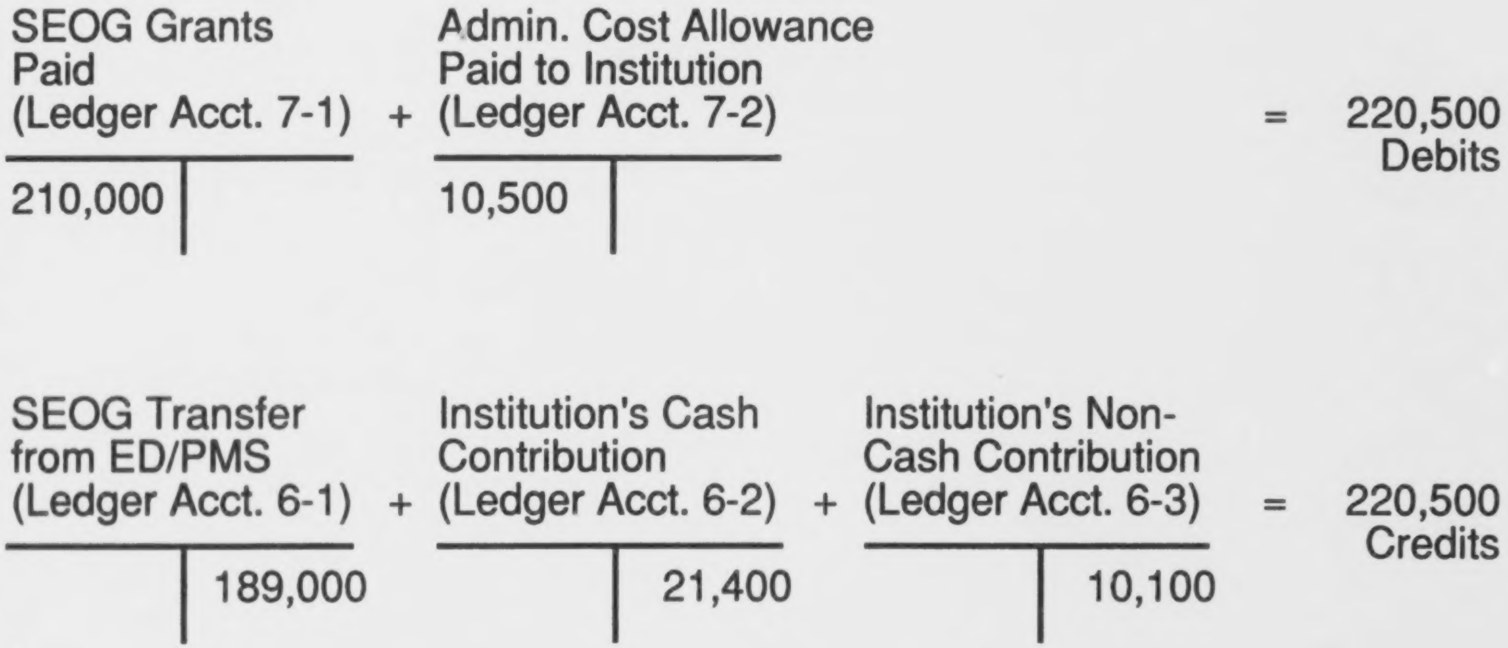
OVERVIEW OF LEDGER ACCOUNTS

		Normal Balance
1 -	Asset Accounts	*DR*
2 -	Asset Reduction Accounts	*CR*
3 -	Liability Accounts	*CR*
4 -	Capital Accounts (or Program Balance)	*CR*
5 -	Capital Reduction Accounts	*DR*
6 -	Income Accounts (Revenue)	*CR*
7 -	Expense Accounts	*DR*

T-ACCOUNT FORMAT

Sum of ledger accounts with debit balances
= Sum of ledger accounts with credit balances

(Federal/Nonfederal shares are for Award Year 1991-92)



SEOG Grants Paid (Ledger Acct. 7-1) + Admin. Cost Allowance Paid to Institution (Ledger Acct. 7-2) = 220,500 Debits

SEOG Grants Paid (Ledger Acct. 7-1)		Admin. Cost Allowance Paid to Institution (Ledger Acct. 7-2)	
210,000		10,500	

SEOG Transfer from ED/PMS (Ledger Acct. 6-1) + Institution's Cash Contribution (Ledger Acct. 6-2) + Institution's Non-Cash Contribution (Ledger Acct. 6-3) = 220,500 Credits

SEOG Transfer from ED/PMS (Ledger Acct. 6-1)		Institution's Cash Contribution (Ledger Acct. 6-2)		Institution's Non-Cash Contribution (Ledger Acct. 6-3)	
	189,000		21,400		10,100

COMPUTERIZED ACCOUNT FORMAT

Sum of ledger accounts with debit balances
= Sum of ledger accounts with credit balances

Ledger Acct.	*Account Name*	*Balance*
7-1	SEOG Grants Paid	210,000
7-2	Admin. Cost Allowance Paid to Institution	10,500
Total debit balances		220,500
6-1	Transfer from ED/PMS	189,000 CR
6-2	Institution's Cash Contribution	21,400 CR
6-3	Institution's Noncash Contribution	10,100 CR
Total credit balances		220,500 CR

EXAMPLE: PELL JOURNAL ENTRIES
ANSWER TO THE FIRST QUESTION

B. To record Pell Grants paid to students for the fall term.

09/03/X1	Student Grants Paid	7 - 1	164,373	
	Cash, Pell Grants	1 - 1		164,373

PELL GRANT JOURNAL ENTRIES (continued)

C. To record $13,698 in cash transferred from the ED/PMS on 10/29/X1 to pay for the remaining grants for the fall term.

10/29/X1	Cash, Pell Grants	1 - 1	13,698	
	Transfer from ED/PMS	6 - 1		13,698

D. To record the remaining $13,698 in Pell Grants paid to students for the fall term on 10/31/X1.

10/31/X1	Student Grants Paid	7 - 1	13,698	
	Cash, Pell Grants	1 - 1		13,698

OH Two-11

PELL GRANT JOURNAL ENTRIES (continued)

E. To record cash transferred from the ED/PMS for the coming spring term.

01/05/X2	Cash, Pell Grants	1 - 1	157,523	
	Transfer from ED/PMS	6 - 1		157,523

F. To record Pell Grants paid to students for the spring term.

01/07/X2	Student Grants Paid	7 - 1	157,523	
	Cash, Pell Grants	1 - 1		157,523

PELL GRANT JOURNAL ENTRIES (continued)

G. To record $6,849 in cash transferred from the ED/PMS on 02/26/X2 for the remaining spring term.

02/26/X2	Cash, Pell Grants	1 - 1	6,849	
	Transfer from ED/PMS	6 - 1		6,849

H. To record the remaining Pell Grants paid to students for the spring term.

02/28/X2	Student Grants Paid	7 - 1	6,849	
	Cash, Pell Grants	1 - 1		6,849

PELL GRANT JOURNAL ENTRIES (continued)

I. CLOSING ENTRY: To close out the revenue and expenditure account for the program year ended 06/30/X2.

06/30/X2	Transfer From ED/PMS	6 - 1	342,443	
	Pell Grants Paid	7 - 1		342,443

OH Two-14

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

T-ACCOUNT FORMAT

07/01/X1	Balance Forward	-0-			
09/01/X1	From ED/PMS	164,373			
			09/03/X1	Pell Grants paid	164,373
10/29/X1	From ED/PMS	13,698			
			10/31/X1	Pell Grants paid	13,698
01/05/X2	From ED/PMS	157,523			
			01/07/X2	Pell Grants paid	157,523
02/26/X2	From ED/PMS	6,849			
			02/28/X2	Pell Grants paid	6,849
06/30/X2	Ending Balance	-0-			

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/01/X1	From ED/PMS	164,373		164,373
09/03/X1	Pell Grants paid		164,373	-0-
10/29/X1	From ED/PMS	13,698		13,698
10/31/X1	Pell Grants paid		13,698	-0-
01/05/X2	From ED/PMS	157,523		157,523
01/07/X2	Pell Grants paid		157,523	-0-
02/26/X2	From ED/PMS	6,849		6,849
02/28/X2	Pell Grants paid		6,849	-0-

OH Two-16

TRANSFER FROM ED/PMS - PELL GRANTS

GENERAL LEDGER ACCOUNT 6 - 1

T-ACCOUNT FORMAT

			07/01/X1	Balance Forward	-0-
			09/01/X1	Cash transfer in	164,373
			10/29/X1	Cash transfer in	13,698
			01/05/X2	From ED/PMS	157,523
			02/26/X2	From ED/PMS	6,849
06/30/X2	Closing Entry	342,443			
			06/30/X2	Ending Balance	-0-

CUMULATIVE BALANCE FORMAT

TRANSFER FROM ED/PMS - PELL GRANTS

GENERAL LEDGER ACCOUNT 6 - 1

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/01/X1	Cash transfer in		164,373	(164,373)
10/29/X1	Cash transfer in		13,698	(178,071)
01/05/X2	Cash transfer in		157,523	(335,594)
02/26/X2	Cash transfer in		6,849	(342,443)
06/30/X2	Closing Entry	342,443		-0-

OH Two-18

PELL GRANTS PAID

GENERAL LEDGER ACCOUNT 7 - 1

T-ACCOUNT FORMAT

07/01/X1	Balance Forward	-0-			
09/03/X1	Fall term pymts	164,373			
10/31/X1	Fall term pymts	13,698			
01/07/X2	Spring term pymts	157,523			
02/28/X2	Spring term pymts	6,849			
			06/30/X2	Closing Entry	342,443
06/30/X2	Ending Balance	-0-			

OH Two-19

PELL GRANTS PAID

GENERAL LEDGER ACCOUNT 7 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/03/X1	Fall term payments	164,373		164,373
10/31/X1	Fall term payments	13,698		178,071
01/07/X2	Spring term payments	157,523		335,594
02/28/X2	Spring term payments	6,849		342,443
06/30/X2	Closing Entry		342,443	-0-

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Transfers From CWS: Main Points To Check

1. only possible between CWS and SEOG programs--not allowed in Perkins Loan program
2. limits have not been exceeded--up to 10% of initial plus supplemental CWS allocation can be transferred to SEOG
3. basis for 10% transfer to SEOG cannot include CWS funds obtained from carry forward or carry back
4. any transferred funds not expended by end of year in SEOG must be returned to CWS

OH Two-21

Trial Balance for Title IV Programs
ED/PMS Ledger Balances

As of ______

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash Control, ED/PMS	xxx	
1-2	Accounts Receivable, ED/PMS	xxx	
1-3	Unremitted Cash to ED/PMS	xxx	
3-1	Accounts Payable, ED/PMS		xxx
4-1	Award Authorization, ED/PMS		xxx
4-2	Expended Funds, ED/PMS	xxx	
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

Trial Balance for Title IV Programs
Pell Grant Ledger Balances

As of _____

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, Pell Grants	xxx	
6-1	Transfer from ED/PMS - Pell Grants		xxx
7-1	Student Grants Paid	xxx	
7-2	ACA Paid to Institution	xxx	
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

OH Two-23

Trial Balance for Title IV Programs
SEOG Ledger Balances
As of ______

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, SEOG	xxx	
6-1	Transfer from ED/PMS - SEOG Funds		xxx
6-2	Institution's Cash Contribution		xxx
6-3	Institution's Noncash Contribution		xxx
7-1	SEOG Grants Paid	xxx	
7-2	ACA Paid to Institution	xxx	
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

Trial Balance for Title IV Programs
CWS Ledger Balances

As of _____

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, CWS	xxx	
3-1	Federal Income Taxes Withheld		xxx
3-2	Social Security Taxes Withheld		xxx
3-3	State Income Taxes Withheld		xxx
3-4	Other Withholding		xxx
3-5	Accrued Wages Payable		xxx
3-6	Employer's Payroll Taxes Payable		xxx
6-1	Transfer from ED/PMS - CWS Funds		xxx
6-2	Institution's Cash Contribution		xxx
6-3	Institution's Noncash Contribution		xxx

(Continued on next overhead)

Trial Balance for Title IV Programs
CWS Ledger Balances (Continued)

OH Two-25

Acct #	*Account Name*	*Debit*	*Credit*
6-4	Off-Campus Employer's Contr. (Nonprofit)		xxx
6-5	Off-Campus Employer's Contr. (For-profit)		xxx
7-1	Student Wages - On Campus	xxx	
7-2	Stu. Wages - Off Campus, Nonprofit	xxx	
7-3	Stu. Wages - Off Campus, For-profit	xxx	
7-4	Stu. Wages - CSL Program	xxx	
7-5	Regular Job Location Expenses Paid to Institution	xxx	
7-6	Job Location Expenses Paid to Institution - CSL Program	xxx	
7-7	ACA Paid to Institution	xxx	
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

Trial Balance for Title IV Programs
Perkins Loan Program Ledger Balances

As of _____

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, Perkins Loans	xxx	
1-2	Funds Receivable, ED/PMS	xxx	
1-3	Funds Receivable, Institution	xxx	
1-4	Funds Adv. to Students - In School	xxx	
1-5	Funds Adv. to Students - Out of School	xxx	
2-@	Total of All Asset Reduction Accounts		xxx
4-1	Federal Capital Contributions		xxx
4-2	Institutional Capital Contributions		xxx

(Continued on next overhead)

OH Two-27

Trial Balance for Title IV Programs
Perkins Loan Ledger Balances (Continued)

Acct #	*Account Name*	*Debit*	*Credit*
5-1	Repayments to Federal Government	xxx	
5-2	Repayments to Institution	xxx	
6-1	Interest Earned on Loans		xxx
6-2	Other Earnings		xxx
6-3	Other Earnings - Miscellaneous		xxx
6-4	Reimbursement Amounts Canceled on Loans 7/1/72 and after		xxx
7-@	All Expense Accounts	xxx	
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

OH Two-28

RECONCILIATION OF CASH

	Begin. Bal.	Deposits	Disbursements	End. Bal.
Balance Per Bank Statement	*xxx*	*xxx*	*xxx*	*xxx*
Deposits in Transit:				
Last month	*xxx*	*(xxx)*		*xxx*
This month		*xxx*		*xxx*
Outstanding Checks:				
Last month	*xxx*		*(xxx)*	*xxx*
This month			*xxx*	*xxx*
Unrecorded Charges & Credits: (explain below)		*xxx*	*xxx*	*xxx*
Balance Per Books	*xxxx*	*xxxx*	*xxxx*	*xxxx*
	====	====	====	====

OH Two-29

Reconciliation of Federal Funds

Cumulative Cash as of Last Quarter			xxx
Cash Received This Quarter			xxx
Cumulative Cash Received			xxxxx
Net Disbursements for Prior Years	xxx		
Changes to Prior Year Disbursements	xxx		
Total Adjusted Prior Year Disbursements	xxxxx		
Less: Net Disbursements This Year	xxx		xxx
Calculated Cash on Hand		xxx	
Balance Per Bank Statement		xxx	
Adjustments:			
Outstanding Checks	xxx		
Less: Deposits in Transit	xxx		
Other Adjustments	xxx	xxx	
Total Adjusted Balance Per Bank		xxxxx	xxxxx
		====	====
Difference (should be zero)			-0-
			====

GENERAL MODEL FOR TRIAL BALANCES

Trial Balance for Title IV Programs
ABC Program Ledger Balances

As of ______

Acct #	*Account Name*	*Debit*	*Credit*
Y-Y	Cash, ABC	xxx	
....	....	....	....
....	....	....	....
....	....	....	....
		-----	-----
	TOTAL DEBITS AND CREDITS	xxx	xxx
		===	===

Trial Balance for Title IV Programs
ED/PMS Ledger Balances

As of 12/31/x1

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash Control, ED/PMS	-0-	
1-2	Accounts Receivable, ED/PMS	380,796	
1-3	Unremitted Cash to ED/PMS	-0-	
3-1	Accounts Payable, ED/PMS		-0-
4-1	Award Authorization, ED/PMS		880,330
4-2	Expended Funds, ED/PMS	499,534	
		------------	-----------
	TOTAL DEBITS AND CREDITS	880,330	880,330
		=======	=======

Trial Balance for Title IV Programs
Pell Grant Ledger Balances

As of 12/31/X1

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, Pell Grants	-0-	
6-1	Transfer from ED/PMS - Pell Grants		178,071
7-1	Student Grants Paid	178,071	
7-2	ACA Paid to Institution	-0-	
		------------	------------
	TOTAL DEBITS AND CREDITS	173,941	173,941
		=======	=======

Trial Balance for Title IV Programs
SEOG Ledger Balances

As of 12/31/X1

Acct #	*Account Name*	*Debit*	*Credit*
1-1	Cash, SEOG	-0-	
6-1	Transfer from ED/PMS - SEOG Funds		149,093
6-2	Institution's Cash Contribution		18,848
6-3	Institution's Noncash Contribution		6,000
7-1	SEOG Grants Paid	165,659	
7-2	ACA Paid to Institution	8,282	
		-----------	-----------
	TOTAL DEBITS AND CREDITS	173,941	173,941
		=======	=======

SUMMARY OF THIS SESSION

- Fiscal operations, including:
  - -- financial management systems
  - -- bookkeeping and recordkeeping activities
- Accounting requirements and the Title IV programs, including:
  - -- normal rules
  - -- chart of accounts
  - -- the 7 general types of ledger accounts needed for Title IV programs
  - -- contra accounts
  - -- journal entries and posting to the general ledger
  - -- the T-account and cumulative balance formats
- Internal control, and the need for checks and balances
- Trial balances for individual Title IV programs

SESSION 3

INSTITUTIONAL RESPONSIBILITIES AND STUDENT RECORDKEEPING

OVERVIEW

(1 HOUR)

A. Orientation to Session 3

B. General Institutional Responsibilities
   1. Overview of Institutional Responsibilities
   2. Institutional Eligibility
   3. Institutional Certification
   4. The Eligibility and Certification Process

C. Individual Office Responsibilities
   1. Separation of Functions
   2. Office of the President
   3. Financial Aid Office
   4. Business Office
   5. Loan Collection Office
   6. Policies and Procedures Manual
   7. Group Activity--"Spot the Mistakes" Case Study

D. Evaluation
   1. Self-Evaluation
   2. Federal Program Review
   3. Audit

E. Recordkeeping
   1. General Requirements for Records
   2. Fiscal Records
   3. Record Management
   4. Group Activity--CWS Responsibilities

MAIN OBJECTIVES

- Participants will describe the main institutional responsibilities
- Participants will describe the shared responsibilities and required separation of functions of the financial aid and business offices
- Participants will describe the types of student records which must be maintained
- Participants will list the statute, regulations, restrictions, and limitations that must be considered in dealing with student financial aid awards and payments
- Participants will recognize possible errors in applying the rules, restrictions, and limitations of student financial aid awards and payments

A. ORIENTATION TO SESSION 3

This session will help answer questions like:

- What **standards** must institutions meet to participate in Title IV student aid programs?
- What are the **basic institutional responsibilities** regarding Title IV financial aid?
- How are these responsibilities **divided** between the fiscal office, financial aid office, and other offices?
- How should these different offices **communicate** and **share** necessary information?
- What **records** should be kept on students for aid purposes?

B. GENERAL INSTITUTIONAL RESPONSIBILITIES

1. Overview of Institutional Responsibilities

For more information, see *The Blue Book* pages 37-81.

Regulations for each of the Title IV aid programs require the institution to establish and maintain internal controls--checks and balances. There is an important and justifiable emphasis placed on internal control due to responsibilities in management of Title IV student aid funds.

Think about what is involved in these school responsibilities:

1 requesting funds from Department of Education
2 processing Title IV loan checks from a lender or escrow agent
3 disbursing Title IV aid funds to eligible students
4 when students withdraw, drop out, or are expelled:
  a. issuing refunds to Title IV program accounts, lenders, and/or students
  b. recovering and returning overpayments to Title IV program accounts

   c. with Stafford/SLS/PLUS awards, returning loan proceeds attributed to payment periods after the one in which the student withdrew to lenders

5 recordkeeping for both student and fiscal records (discussed in more detail later in this session)

6 accounting for financial activities

7 reporting on financial activities

8 for Perkins Loans, showing due diligence in loan collection

Think about point #3--disbursing funds to students--what are examples of checks and balances and school responsibilities in this?

Examples of checks and balances: ______________________________

____

Examples of school responsibilities: ____________________________

____

2. Institutional Eligibility

For more information, see *The Blue Book* pages 37-39.

There are 2 processes involved: eligibility and certification.

All institutions must be determined as eligible and must be certified before initial participation in the Title IV programs.

Eligibility Criteria: The institution and its programs are examined. During this phase, ED's Division of Eligibility and Certification (DEC) is concerned with answers to questions like:

- Is the institution private or public?
- Is the institution nonprofit or for-profit?
- Does the institution offer a degree or certificate?
- Is the institution accredited by a recognized accrediting agency?

Types of Institutions: There are 4 types of institutions eligible to participate in Title IV programs:

- public or private nonprofit institutions
- proprietary institutions

- postsecondary vocational institutions
- vocational schools

A school must meet the definition of one of these types, which in turn determines what Title IV program or programs the school may participate in. A school can be determined to be eligible for only one Title IV program, specific Title IV programs, or all Title IV programs.

In addition to the school's eligibility, the specific program of study in which the student is enrolled must be eligible. The school is responsible for ensuring that a program is eligible before it awards funds to students or certifies loan applications for attendance in that program.

3. Institutional Certification

For more information, see *The Blue Book* pages 37-38.

Once determined eligible, a school must then be certified as financially responsible and administratively capable of providing the education it promises and properly managing the Title IV programs.

For more information, see *The Blue Book* page 39.

Financial Responsibility: Good financial responsibility includes:

- providing all services listed in the institution's publications
- providing administrative resources to comply with the requirements of Title IV programs
- meeting financial obligations such as refunds to students or program accounts and repayments for liabilities and debts incurred in programs
- providing adequate fidelity bond coverage for employees, to protect against fraud (adequate coverage is not defined in regulations, but it is recommended that coverage be equal to at least one month's total cash flow)

Even if an institution meets the above criteria, the school may be considered **not** financially responsible on other grounds--for example, if it has a history of operating losses.

To assist in assessing the financial responsibility of a school, ED may request:

- an income statement and balance sheet
- an audit

A school's overall financial management capability is examined regularly by auditors to ensure that good practices are maintained and poor ones are corrected. More detail about audits will be presented later in this session.

Administrative Capability: Good administrative capability includes:

For more information, see *The Blue Book* pages 39-41.

1 establishing and maintaining student records

2 designating a capable individual to administer Title IV funds, who coordinates aid with other aid programs, federal and nonfederal; and designating other adequate staff

3 establishing, publishing, and applying reasonable standards for measuring satisfactory academic progress

4 establishing a system of communicating and verifying consistency of student information within the institution

What kinds of information must the school's **Admissions Office** provide to the Financial Aid Office?

Answer: ______________________________

____

____

What kinds of information must the school's **Business Office** provide to the Financial Aid Office?

Answer: ______________________________

____

____

5 counseling

- This is usually the purview of the Financial Aid Office, but Business Offices involved in Perkins or other loan processing may be required to provide assistance--for example, in counseling loan recipients on their rights and responsibilities.

6 separation of functions

- This is a required part of your internal system of checks and balances, such that authorizing payments and disbursing funds cannot be handled by the same person or office.

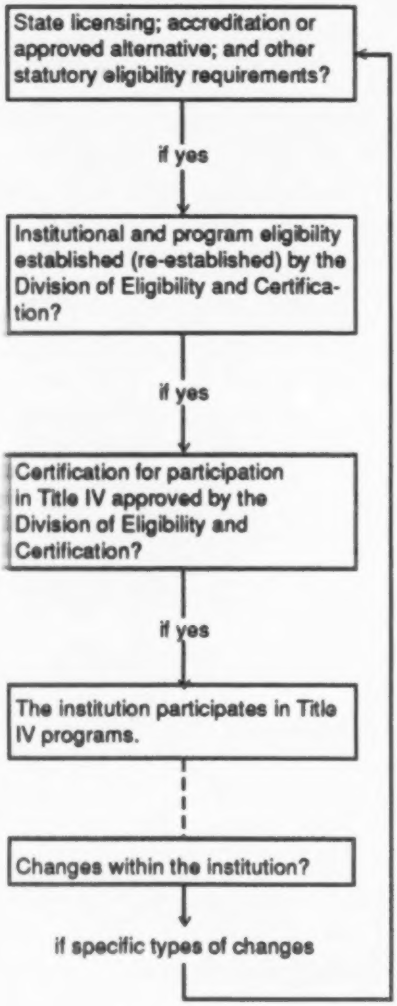
An institution's administrative capability may be seriously questioned if:

- the default rate for the Perkins/Stafford/SLS programs exceeds 20% for loans in repayment status; or
- the withdrawal rate during the academic year exceeds 33% of the regular students attending the first day of classes.

4. The Eligibility and Certification Process

A school in the process of becoming certified must send an administrative representative and a financial aid representative to ED's Precertification Training workshop. Generally, they will be the school's chief administrative officer and the person designated to administer the financial aid programs. At the end of the process shown in the diagram, a Program Participation Agreement is signed by the school and ED.

The Institutional Eligibility and Certification Process


State licensing; accreditation or approved alternative; and other statutory eligibility requirements?
if yes
Institutional and program eligibility established (re-established) by the Division of Eligibility and Certification?
if yes
Certification for participation in Title IV approved by the Division of Eligibility and Certification?
if yes
The institution participates in Title IV programs.
Changes within the institution?
if specific types of changes

Continued funding is contingent upon maintenance and evaluation of institutional financial responsibility and administrative capability.

Eligibility must be re-established every 4 years. The school must complete a new Program Participation Agreement. A significant change in the institution, such as a change of ownership that results in a change of control, a change of location, loss of accreditation, or loss of eligibility due to high GSL default rates, terminates the Program Participation Agreement and causes the whole cycle to begin again to determine the school's eligibility.

C. INDIVIDUAL OFFICE RESPONSIBILITIES

For more information, see *The Blue Book* pages 41-48.

1. Separation of Functions

As we have already seen, regulations require division of functions of authorizing payments and disbursing funds. No one person can perform both functions. In other words, no one person may authorize the writing of a check for Title IV funds, and also disburse that check.

Generally, the Financial Aid Office authorizes the disbursement of student aid. The Business Office actually disburses the aid by writing the check to the student or by crediting the student's account. Good communication and cooperation between the two offices is very important.

- Small schools probably have more trouble with this due to the limited staff.
- How does your school handle this?

Answer: ____________________

For more information on the separation of functions, see *The Blue Book* page 41.

2. Office of the President

For more information, see *The Blue Book* pages 41-42.

The leadership or management style of the President sets the tone and direction to be followed throughout the institution in dealing with Title IV financial aid. The President's Office plays a key role in assigning a high priority to communication and coordination between all institutional offices concerned with administration and recordkeeping in Title IV programs. This office also has an important part in ensuring that the business and financial aid offices have adequate resources for handling Title IV aid.

The President's Office has the responsibility for ensuring that some required certifications are provided. If the school participates in the campus-based programs, it must certify that it provides a drug-free workplace, and that it has adopted and implemented a program to prevent illicit use of drugs and abuse of alcohol by students and employees. It must also certify that it has not improperly used federal funds for lobbying, and

For more information, see *The Blue Book* page 42.

disclose any use of nonfederal funds for lobbying. Schools must also certify that they are in compliance with the ability-to-benefit (ATB) regulations regarding independent administration of ATB testing.

3. Financial Aid Office

For more information, see *The Blue Book* pages 43-44.

The ability of the Financial Aid Office to help students pay for school is crucial to an institution. Some of the responsibilities of this office to the Title IV programs include:

- determining eligibility for student aid awards (for example, this may involve confirming noncitizens' immigration status and eligibility for Title IV aid)
- advising and counseling students and parents about aid resources
- ensuring compliance with federal regulations and program requirements
- accumulating data for reports and maintaining records
- providing student consumer information
- authorizing payments to students
- certifying disbursement schedules to Stafford and SLS lenders, preparing student status confirmation reports to update lenders and guarantee agencies on changes in student enrollment status, and reaffirming the eligibility of student borrowers to these lenders before each disbursement*
- monitoring student enrollment and authorizing refunds to student, Title IV accounts, and/or lenders*
- authorizing the release of Title IV funds to any individual, program account, or other entity*

Institutions will vary in the extent to which the Financial Aid Office participates in fiscal matters. However, coordination between different offices and a clear understanding of shared responsibilities are essential.

For example, the relationship between the Financial Aid Office, Business Office, and Registrar's Office is vital to Title IV aid administration. These offices rely on timely information from each other and must have clear lines of communication. The Registrar's Office may have vital information about students,

*Sometimes the Business Office performs these responsibilities.

such as their academic progress, that the Aid and Business Offices need to know. Even if not communicated to other offices, the institution as a whole is deemed to have known the information, and may be liable for the consequences. These offices must also share in the preparation of documents and reports such as the Fiscal Operations Report (FISAP).

4. Business Office

For more information, see *The Blue Book* pages 44-46.

The Business Office provides critical services in the management of student aid programs. Different names used for different offices involved in financial management at institutions reflect different roles and emphases. What are some of these names and roles?

Answer: ______________________________

____

Some of the responsibilities of the Business Office to the Title IV programs include:

- completing reports
- requesting federal funds
- verifying student eligibility to receive each Title IV loan disbursement from Stafford and SLS lenders
- disbursing student aid awards (remember, each school must ensure that it separates the authorizing of payments and disbursing of funds)
- maintaining individual student accounts
- establishing and implementing refund policies
- monitoring the CWS program payroll accounts
- maintaining a cash management system
- maintaining a student aid accounting system
- immediately notifying the Financial Aid Office of aid and scholarships from third parties credited to student accounts, to prevent Title IV overawards
- calculating refunds, preparing refund checks, and billing students for Title IV overpayments
- may also include billing, collections, authorizing deferments, cancellations, and initial and exit counseling with students for Perkins/NDSL

Clearly, many of these responsibilities require close coordination with the Financial Aid Office.

A school's financial management system may be automated or manual, may involve a department of professionals or a single individual. Regardless, a strong system of checks and balances must be in place.

5. Loan Collection Office

For more information, see *The Blue Book* pages 46-48.

The NACUBO publication *Student Loan Programs: Management and Collection* may be helpful (see *The Blue Book* Appendix C page 9).

Even if there is a separate Loan Collection Office, it may be managed by the Financial Aid Office or the Business Office. In other cases, loan collections may be a function of the Business or Financial Aid Office. Many schools contract with outside service organizations for loan collections. If so, the school is still responsible for monitoring the outside organization and is accountable for actions taken by these servicers. During an audit of Title IV funds, the auditor will request a copy of the audit of the outside service organization.

Working by yourself, **list some of the institution's responsibilities for loan collection in the Title IV programs:**

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________
6. ______________________________

The loan collection office cannot function in a vacuum--it requires communication from other offices. Foremost is communication with the Financial Aid Office for loan obligations of a student taken on while attending the school.

6. Policies and Procedures Manual

For more information, see *The Blue Book* pages 51-57.

This can help establish and maintain good administrative practices and coordination among offices. It can:

- meet regulatory requirements for a written statement of specific policies and procedures, such as institutional refund and refund allocation policies*

*See General Provisions regulations 34 CFR 668.44, DCL's General Provisions 101-883, and P.L. 102-26.

- standardize procedures for consistency--an important step in quality control
- be consulted as a reference manual
- be used as a training resource
- provide descriptions of the interactions among institutional offices
- state the refund policy and procedures

The manual should be developed as joint effort by *all* offices involved in Title IV aid. The Business Office and Loan Collections Office should play major roles, and the Admissions and Registrar's Offices should also take part in the development process--this is not just a financial aid office responsibility.

7. Group Activity--"Spot the Mistakes" Case Study

Directions: Read the Case Study below. Try to spot all the mistakes and problems in the case of Annie Cash and Frontier University. There are more than ten mistakes or problems in the case study. Working with your group, make a list of all the problems and mistakes you can find, using the lines following the case study on page 14. You have 5 minutes.

"Spot the Mistakes" Case Study
Annie Cash--Frontier University

Annie Cash enrolled at Frontier University for the Fall Semester of 1990 as a second year transfer student. She previously attended State Community College for the Fall Semester of 1989, and Backyear College for the Spring Semester of 1990.

Frontier University Financial Aid Office required Annie to submit the CSS Financial Aid Form (FAF) in order to apply for financial aid. 100% of her need was met through the following programs, as shown on her award letter signed by the Director of Financial Aid:

Program	*Award*
Pell Grant	$2,300
SEOG	$1,000
Perkins Loan	$1,500
CWS	$1,000
Stafford Loan	$2,625
TOTAL	$8,425

Financial aid was disbursed within a few days after the first day of classes by the Financial Aid Office clerk crediting Annie's tuition and housing account for one-half of the Pell, SEOG, and Perkins Loan awards.

Annie's Stafford Loan was through Megabucks Bank. Their check for $2,420 was received, endorsed by Annie, and also applied to her account after the first day of classes. Annie was eligible for and received a cash disbursement of $1,175 after financial aid was applied.

At the end of the Fall Semester, 1990, when checking student satisfactory academic progress, it is discovered that Annie has failed all classes attempted. The Registrar is contacted and the Financial Aid Office is informed that Annie dropped out sometime during the semester without completing the official withdrawal form. There are no records of her attendance or test grades from her classes.

It is recorded in the Financial Aid Office that Annie's last day of attendance is the last day of the Fall Semester, 1990. Therefore, no adjustments are made to financial aid award amounts credited to Annie's tuition and housing account.

Meanwhile, Annie's financial aid file had been selected for verification of application information. Annie's FAFNAR indicated that she had attended State Community College during 1989-90 and a Financial Aid Transcript was requested from State. Also, it was discovered that Annie's Pell Grant Student Aid Report had not been turned in or was missing from the files. Attempts to contact Annie were unsuccessful.

Mistakes and Problems: ______________________

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D. EVALUATION

For more information, see *The Blue Book* pages 58-60.

To participate in federal aid programs, a school must demonstrate the ability to administer the programs according to established regulatory standards.

NOTES AND REFERENCES

To accomplish this, institutions establish policies and procedures which provide the foundation of day-to-day activities in the Business and Financial Aid Offices.

Evaluation:

- measures actual performance against these standards
- identifies potential as well as existing problems

There are 3 main types of evaluation:

- Self-evaluation
- Federal Program Reviews
- Nonfederal and Federal Audits

1. Self-Evaluation

For more information, see *The Blue Book* page 68.

This is not required by regulations, but is strongly recommended. Self-evaluation:

- is a form of quality control
- helps prevent compliance-related problems
- assesses effectiveness of student aid operations
- provides early problem detection and resolution
- helps prepare for audits and program reviews

A good tool to use is the *Institutional Guide for Financial Aid Self-Evaluation** published by NASFAA, National Association of Student Financial Aid Administrators.

*For more information, see *The Blue Book* Appendix C page 8.

Two related techniques are peer evaluation and quality control.

Peer Evaluation: The peer may be a financial aid administrator, a controller from another school, or a financial aid consultant.

For more information, see *The Blue Book* pages 58-59.

This provides the peer with an opportunity to not only evaluate another school, but also make first-hand observations as to how comparable institutions carry out financial aid responsibilities.

Quality Control: This is intended to determine if established standards are met on a continuing basis. It can be viewed as a more formalized and structured set of procedures for self-evaluation. The key to systems of quality control are procedures for measuring the degree of compliance with standards.

In 1985, ED began a managerial experiment known as the QC Pilot. The 60 institutions participating in the project are exempt from regulatory verification procedures. Instead, they develop and use their own quality control programs. For further details, see Module 15 of the ED publication *A Self-Instructional Course in Student Financial Aid Administration, Second Edition.**

2. Federal Program Review

Program reviews are generally initiated by ED and/or guarantee agencies. They involve a systematic review of an institution's policies and procedures, overall administration of the financial aid programs, fiscal operations and accounting procedures, and compliance with specific Title IV program requirements, such as those for student eligibility and awarding of aid.

A program review:

- determines if the institution's management of aid programs complies with law and program regulations
- provides the institution with technical assistance (this is the main difference from an audit; it is also shorter in length and less detailed than an audit because file sample sizes are smaller)
- identifies problems in the administration of student financial aid programs

A program review has the potential to provide information necessary for good management, and to be a source of technical assistance. However, these functions are secondary to the main purpose of evaluating institutional compliance with the law and regulations.

NOTES AND REFERENCES

For more information, see *The Blue Book* page 59.

*For more information, see *The Blue Book* Appendix C page 7.

For more information, see *The Blue Book* pages 59-60 and 251-253.

3. Audit

The audit itself will examine whether the school is properly conducting its financial operations and is complying with laws and regulations. An audit:

- verifies that the school is reporting accurate financial aid information
- verifies that the school has established policies and procedures which comply with program regulations

There are 2 types of audit: nonfederal audits and federal audits.

Nonfederal audits may be further divided into 3 types:

- A-128 audits (audits performed in accordance with OMB Circular A-128)--public institutions may choose this type of audit
- A-133 audits--these may also be chosen by public institutions, and they are mandatory for other nonprofit institutions
- audits performed according to ED's *Audit Guide: Student Financial Assistance Programs*--for-profit institutions are required to use this type of audit

A-128 audits are generally required annually. A-133 audits and *Audit Guide* audits must be performed at least every 2 years.

For federal audits, institutions are selected by ED. The institution must give the federal auditors access to records or other documents necessary to the auditor's review.

At the end of the on-site audit, if a questionable expenditure of Title IV funds is found, it must be included in the audit report. The Inspector General notifies the school and ED. The institution has 35 days to respond to ED in writing, explaining the expenditure and justifying it. ED will then determine whether any funds were spent improperly. If so, the institution must repay within 45 days, but can appeal.

The *Student Financial Assistance Programs Audit Guide*, an ED publication, is an important reference manual on audit procedures and requirements. It is generally known simply as the *Audit Guide*.*

NOTES AND REFERENCES

For more information, see *The Blue Book* pages 60 and 246-251.

*For more information, see *The Blue Book* Appendix C page 7.

NOTES AND REFERENCES

E. RECORDKEEPING

For more information, see *The Blue Book* Chapter 3.

1. General Requirements for Records

The requirement for record maintenance and retention is mandated by regulations and is institution-wide. It is of extreme importance to maintain complete and accurate records; the institution's continued eligibility for federal funds could be jeopardized otherwise. Also, without appropriate records, the institution could be liable for repaying federal funds.

Kinds of records which must be maintained are:

- general student records
- institutional records
- fiscal records
- application/award records
- reporting records
- program-specific records

The records must be kept at the school, although not necessarily in one school office. Again, different institutions will have different offices responsible for maintaining these records:

- Business Office--fund accounts and record of disbursements; general ledger control accounts and related subsidiary accounts which identify each program transaction and keep separate from all other institutional financial activity
- Registrar's Office--students' enrollment in an eligible program, their enrollment status, and documentation of satisfactory academic progress
- Admissions/Registrar's Offices--admissions status, transfer credits, previous degrees, citizenship
- Financial Aid Office--application/award records: copies of applications, need analysis documents, verification, financial aid transcripts, citizenship, cancellation/deferment documentation, Anti Drug Abuse Certification, Selective Service information, student employment placement

Although many institutions use data processing systems extensively, computerized recordkeeping alone is not sufficient. Either backup records on microfilm or original hardcopy (source) documents must be kept. School records may be maintained on microfilm or microfiche. However, the school must keep the original promissory notes for the Perkins/NDSL program in a secured place.

General Student Records

For more information, see *The Blue Book* pages 82-83.

For each student who receives Title IV aid, a school must keep certain records, including records of:

- each student's admission records and enrollment status
- each student's eligibility documentation--copies of applications, need analysis documents, award notification(s), and verification documents
- each student's program of study and courses taken
- whether a student is making satisfactory academic progress
- all financial aid the student receives
- all refunds due or paid the student or on behalf of the student

Regardless of whether or not a student receives Title IV aid, schools must maintain records regarding educational qualifications relevant to admissions standards (at a minimum). Campus-based program participants must maintain the information required on the FISAP application. The individual program regulations also contain record retention requirements that apply to specific programs.

Note that, effective November 8, 1990, the Track Record Disclosure Form was no longer required--it was in effect from 12/1/89 to 11/09/90.

The "Student Right-to-Know and Campus Security Act of 1990" has introduced a number of new requirements. For example, schools are required to:

- collect information on the completion rates of certificate or degree-seeking full-time students and make it available to current and prospective students

For more information, see *The Blue Book* page 50.

- collect and distribute information on specific crimes to all current students and employees, and, on request, to prospective students and employees (certain statistical information must also be provided to ED on request)

2. Fiscal Records

For more information, see *The Blue Book* pages 83-86.

Fiscal recordkeeping requires a "clear audit trail," which means maintaining required documentation to support each transaction for receipt and expenditure of federal funds. For Title IV loan funds, the audit trail must provide adequate documentation to allow an independent person or agency to ascertain that "due diligence" was exercised in the collection of federal loan funds. Due diligence includes:

- complete adherence to specific procedures outlined for each loan program, including the specific program guidelines regarding number of collection notices, timing of collection notices, *etc.*
- observance of the required manner for carrying out the specific procedures

Due diligence procedures for the Perkins/NDSL program are found in Appendix E of *The Blue Book.* See also Subpart C, Sections 674.41-674.50 of the Perkins Loan Program Regulations in the November 30, 1987 *Federal Register*.

With regard to bank accounts, Pell Grant regulations require the word *federal* to appear in the name of any bank account which contains Pell Grant funds. The word *federal* should not be abbreviated. For accounts in which other Title IV program funds are deposited, either the account must have the word *federal* in its name or the institution must send written notification to the bank specifying which accounts contain federal funds.

For further information, see 34 CFR 690.81, 674.19, 675.19, and 676.19.

The documentation for aid transactions is required to contain:

- a clear description of the transaction to be made
- which office is authorizing the transaction and the date of authorization
- a clear description of the completed transaction
- which office completed the transaction and the date of completion

- acknowledgment or report from the disbursing office to the Financial Aid Office showing the completion of the requested transaction

A "clear description" of a transaction to be made identifies key items:

- each student's ID# and/or name
- awarding source (SEOG, Perkins/NDSL, etc.)
- amount to be disbursed from each source
- award year for which payment is made
- payment period for which payment is made
- period of attendance for which Stafford/SLS/PLUS loan was intended

As with student records, each program has disbursement regulations to be followed. Transaction dates become especially important to clearly indicate compliance with disbursement regulations. Examples:

- Was a registered student's account credited before the allowable date--3 weeks before classes begin?
- Was a registered student given a cash disbursement of aid before the allowable date--10 days before classes begin?
- Was a Stafford or SLS check delivered by the school before the student was enrolled?
- For a new first-year undergraduate Stafford or SLS borrower, was delivery of the first check delayed for the mandatory 30 days after the starting day of the period of enrollment for which the loan was intended?
- Were loan proceeds delivered to the student promptly or within 45 days of the school's receipt of the loan check?
- Were refund payments and checks attributable to subsequent payment periods sent to Stafford or SLS lenders within the allowable time frame?

Pell Grant and campus-based programs must have program and fiscal records that:

- are reconciled at least monthly
- identify each student's account and status
- show the eligibility of each student aided under each Title IV program
- show how need was met for each student
- show all applications for students reported on the FISAP

- support the institution's application for funds

Records for each recipient must be

- systematically organized
- readily available for inspection in audits and program reviews

3. Record Management

For more information, see *The Blue Book* pages 86-97.

Regulations specify an institution must keep a record of each student's receipt of financial aid.

Careful and orderly filing of original records is important. The simple act of date-stamping materials as they are received can go a long way in good record management. Some control documents which can help meet the detailed record requirements of financial aid are:

- a summary sheet--summarizes all conversations with or about the student
- a checklist of required documents--to monitor incoming documents
- a packaging worksheet (for manual systems) or data input card (for automated systems)--would show the calculations used to determine a student's financial aid award, and the staff member who packaged the student's aid sources
- a student aid master record--containing information for in-school students for each award year
- student and/or program records--containing program-specific information for each award year
- a copy of the institution's automated packaging policy

A summary sheet summarizes all in-person or telephone contacts with or about the student--it should include:

- the student's name and/or ID#
- dates of contacts
- the initials or signature of the staff member involved in the conversation
- a brief summary of the topic of conversation
- actions which are agreed upon and who will follow through--an example of this might be the statement,

"Student will contact parents for copy of IRS 1040 tax form." This makes it clear that the Financial Aid Office was not supposed to make the contact.

Master Record: Usually contains basic information for each award year, so the cumulative history of a student's aid is easily available. Can quickly establish a student's financial aid history in determining whether the student has remaining eligibility.

For more information, see *The Blue Book* pages 87-91.

One example of a master record that would be suitable for either manual or computer-based systems is shown on pages 89-91 of *The Blue Book.* A sample of a master record for graduate students is shown on the next page of this guide. It is a much simpler version but again is a great quick reference for many kinds of information.

As you can see, either of the two types of master records could be modified to meet unique institutional requirements. For schools using electronic data equipment for recordkeeping, a master record can still be created. The essential consideration is that the information be available in a format that is easy to retrieve.

Perkins/NDSL Loan Status Card: Necessary information set up in this kind of a format aids in monitoring the historical as well as current status of a student's Perkins loan. This status card makes available in one location the student's:

- address and phone number
- in-school and out-of-school status
- exit interview status
- deferment status
- cancellation transactions
- payment status

For more information, see *The Blue Book* page 92.

Again, this is an example which can be modified to meet unique institutional requirements.

Stafford/SLS/PLUS Loan Recordkeeping Form: This helps to meet the recordkeeping requirements for schools receiving Stafford Loan and SLS checks from banks for delivery to students and for documenting the disbursement of PLUS loan proceeds from banks to students' parents.

For more information, see *The Blue Book* page 93.

GRADUATE STUDENT MASTER RECORD

NAME CLASS YR SS#
STATE OF RES. MALE 0 FEMALE 0 BIRTHDATE U-ID#

19 -19		19 -19		19 -19		19 -19	
HPSL		HPSL		HPSL		HPSL	
PERKINS		PERKINS		PERKINS		PERKINS	
STAFFORD		STAFFORD		STAFFORD		STAFFORD	
SLS		SLS		SLS		SLS	
PLUS		PLUS		PLUS		PLUS	
HEAL		HEAL		HEAL		HEAL	
U-LOAN		U-LOAN		U-LOAN		U-LOAN	
U-SCH		U-SCH		U-SCH		U-SCH	
NHSC		NHSC		NHSC		NHSC	
MIL		MIL		MIL		MIL	
EXTSCH		EXTSCH		EXTSCH		EXTSCH	
EXTLOAN		EXTLOAN		EXTLOAN		EXTLOAN	
INCOME		INCOME		INCOME		INCOME	
NEED		NEED		NEED		NEED	
UNMET NEED		UNMET NEED		UNMET NEED		UNMET NEED	
	0 ENT 0 EXT		0 ENT 0 EXT		0 ENT 0 EXT		0 ENT 0 EXT

Note: This alternative example of a Student Master Record might be used for graduate students at a medical school.

KEY

U-ID	ID number assigned to student by the university
HPSL	Health Professions Student Loan Program
HEAL	Health Education Assistance Loan Program
U-LOAN	The university's own loan aid
U-SCH	The university's own scholarship aid
NHSC	National Health Service Corps Scholarship Program
MIL	Military aid programs
EXTSCH	External scholarship
EXTLOAN	External loan

NOTES AND REFERENCES

Fund Management Sheet: This keeps you on top of what has been budgeted, and how much has been awarded. It can be likened to balancing your checkbook.

For more information, see *The Blue Book* page 88.

Record Retention

For more information, see *The Blue Book* page 86.

Each participating institution must keep intact and accessible records pertaining to the application for and receipt and expenditures of federal funds. This must include accounting records and original and supporting documents of how funds were spent. These must be kept for 5 years after the submission of the FISAP or after the institution submits its final Pell Grant Institutional Payment Summary for an award year.

Perkins loan records must be kept for at least 5 years from the date of the loan's final repayment, cancellation, or assignment to the Department of Education, unless there are unresolved audit or program review findings. See *The Blue Book* page 86 for retention requirements when there are unresolved audit or program review findings.

Stafford, SLS, and PLUS loan records must be kept for 5 years after the last date of the period for which the loan is intended.

You may keep records on microfilm, microfiche, or computers (except promissory notes and repayment schedules for Perkins/NDSL).

Organized recordkeeping is necessary to fill out reports accurately and completely. Consider too the financial accounting necessary to ensure that the institution has not overspent its authorization and that funds have been correctly matched, transferred, and carried forward or back.

4. Group Activity--CWS Responsibilities

Directions: Suppose you have to administer the College Work-Study program, both on the level of individual students and the overall program. What records would you have to keep? What restrictions would you have to consider? Which offices would be involved in monitoring, providing information, paying students, and recordkeeping? Working with your group, make a **list** of as many of these **issues** as you can, using the lines below. You have 5 minutes.

CWS RESPONSIBILITIES

SUMMARY

In this session, we looked at:

- general institutional responsibilities, including eligibility and certification issues
- separation of the functions of awarding and disbursing aid
- the responsibilities of individual offices, including the key functions of the Business Office and the importance of close cooperation with the Student Financial Aid Office, the Registrar's Office, the Loan Collection Office, and the Office of the President
- the importance of a policies and procedures manual
- mistakes that can be made in administering Title IV aid
- the evaluation of aid management and administration, including self-evaluation, program reviews, and audits
- the importance of proper recordkeeping in maintaining your institution's eligibility for Title IV program aid and avoiding liabilities
- in summary, the need for communication and understanding of the network of responsibilities involved in handling Title IV aid

For further information on the topics covered in this session, see *The Blue Book* Chapters 2 and 3.

===============END OF SESSION 3================

GENERAL INSTITUTIONAL RESPONSIBILITIES

1 Requesting funds from ED

2 Processing Title IV loan checks from a lender or escrow agent

3 Disbursing aid funds to students

4 When students withdraw, drop out, or are expelled:

   a. issuing refunds to program accounts, lenders, and/or students

   b. recovering and returning overpayments

   c. returning loan proceeds to lenders

5 Recordkeeping

6 Accounting for financial activities

7 Reporting on financial activities

8 Loan collection

PARTICIPATION IN TITLE IV PROGRAMS

TWO PROCESSES:

1 **Eligibility** DEC decides:* Is school eligible for one or more programs?

2 **Certification** DEC decides:*

- Is school financially responsible?
- Is school administratively capable?

*DEC's decision is based on information supplied by school

ADMINISTRATIVE CAPABILITY

1 Establish and maintain student records

2 Designate aid administrator

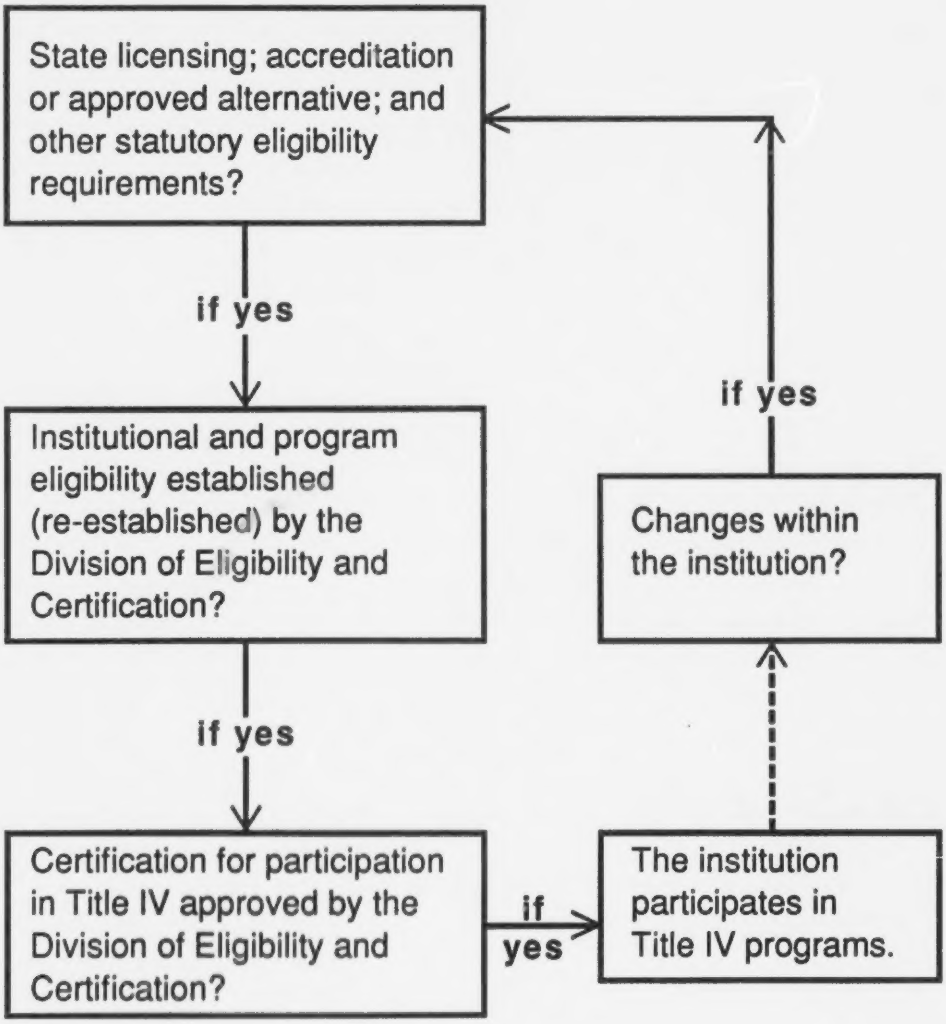
3 Establish "satisfactory academic progress" standards

4 Establish communication between departments

5 Provide student counseling

6 Establish separation of functions

The Institutional Eligibility and Certification Process



State licensing; accreditation or approved alternative; and other statutory eligibility requirements?

if yes

Institutional and program eligibility established (re-established) by the Division of Eligibility and Certification?

if yes

Certification for participation in Title IV approved by the Division of Eligibility and Certification?

if yes

The institution participates in Title IV programs.

Changes within the institution?

if yes

OH Three-5

RE-ESTABLISHING ELIGIBILITY

Re-establish eligibility ***every 4 years***

Re-establish eligibility ***immediately*** if significant changes such as:

- change in location
- change in ownership that results in a change of control
- significant change in program offerings

INDIVIDUAL OFFICE RESPONSIBILITIES

2 KEY POINTS STRESSED IN THE BLUE BOOK

- Separation of Functions
- Cooperation and Communication

OFFICES INVOLVED WITH TITLE IV PROGRAMS

1 Office of the President

2 Financial Aid Office

3 Business Office

4 Loan Collection Office

5 Registrar's Office (student eligibility)

6 Admissions Office

Responsibilities for Loan Collections in Title IV Programs--Examples 1

- Demonstrate due diligence in collections
- Pursue delinquent accounts by working with:
    - -- credit bureaus
    - -- collection firms
    - -- skip-tracing companies
    - -- the IRS skip-tracing service
    - -- the court system

Responsibilities for Loan Collections in Title IV Programs--Examples 2

- Develop systems to track accounts
- Promote efforts to reduce default rates
- Modify promissory notes and disclosure statements to keep them up-to-date
- Assign loans to ED

CASE STUDY: MISTAKES AND PROBLEMS

A. Frontier University requires all students applying for financial aid to complete a College Scholarship Service (CSS) FAF, thus requiring the student to pay a fee.

B. No clear separation of authorizing and disbursing functions--Frontier U. Financial Aid Office administered both functions.

C. Megabucks Bank did not make a multiple disbursement of Annie's Stafford Loan and, if $1,210 had been originally credited to the account from the second Stafford disbursement ($2,420 ÷ 2 = $1,210), then $35 must go back to the lender under attribution ($1,210 - $1,175 = $35).

CASE STUDY: MISTAKES AND PROBLEMS (contd)

D. No established procedure to determine last date of attendance for students who do not complete Frontier U.'s formal withdrawal procedure. Annie's last date of attendance not properly determined.

E. No refund made to Title IV programs.

F. Frontier U. Financial Aid Office did not notify lender (Megabucks Bank) within 60 days that Annie had dropped out.

G. Procedure for obtaining Financial Aid Transcripts from schools previously attended by transfer students is not tied to Registrar's Office and Admissions Office.

CASE STUDY: MISTAKES AND PROBLEMS
(contd)

H. School must have a valid SAR or ESAR on file for all Pell Grant recipients. Also, no SAR on file means no record that the following required statements and certifications were signed:

1. Certification Statement on Refunds and Defaults
2. Statement on Registration Status
3. Statement on Anti-Drug Abuse Act Certification
4. Statement of Updated Information

THE EVALUATION PROCESS

3 MAIN TYPES OF EVALUATION:

1 Self-evaluation
  - A. Peer Evaluation
  - B. Quality Control

2 Federal Program Review
  - A. Compliance with Regulations
  - B. Provides Technical Assistance

3 Audits
  - A. Nonfederal
  - B. Federal

INSTITUTIONAL RECORDKEEPING

GENERAL REQUIREMENTS:

- Record maintenance and retention
- Records complete and accurate
- All offices involved in recordkeeping
- Computerized records and hardcopy documents

FISCAL RECORDS REQUIREMENTS:

- Clear audit trails--"clear description"
- Date-stamped documents
- Careful and orderly filing

OH Three-14

GRADUATE STUDENT MASTER RECORD

NAME **CLASS YR** **SS#**

STATE OF RES. **MALE** 0 **FEMALE** 0 **BIRTHDATE** **U-ID#**

19 -19		19 -19		19 -19		19 -19	
HPSL		HPSL		HPSL		HPSL	
PERKINS		PERKINS		PERKINS		PERKINS	
STAFFORD		STAFFORD		STAFFORD		STAFFORD	
SLS		SLS		SLS		SLS	
PLUS		PLUS		PLUS		PLUS	
HEAL		HEAL		HEAL		HEAL	
U-LOAN		U-LOAN		U-LOAN		U-LOAN	
U-SCH		U-SCH		U-SCH		U-SCH	
NHSC		NHSC		NHSC		NHSC	
MIL		MIL		MIL		MIL	
EXTSCH		EXTSCH		EXTSCH		EXTSCH	
EXTLOAN		EXTLOAN		EXTLOAN		EXTLOAN	
INCOME		INCOME		INCOME		INCOME	
NEED		NEED		NEED		NEED	
UNMET NEED		UNMET NEED		UNMET NEED		UNMET NEED	
	0 ENT 0 EXT		0 ENT 0 EXT		0 ENT 0 EXT		0 ENT 0 EXT

CWS "ISSUES"--POSSIBLE ANSWERS 1

A. There are restrictions on the work performed.

- *Who approves the job description?*
- *Who makes sure that the student doesn't work "outside" the job description?*

B. The time sheet requires signatures.

- *Who supervises the work and signs the certification?*

C. The student must remain eligible from one term to the next.

- *Who watches for changes in eligibility, or in grades and enrollment status?*

CWS "ISSUES"--POSSIBLE ANSWERS 2

D. An application was made to the Department of Education for CWS funding, and reports must be submitted on the use of these funds.

- *Who coordinates the application process?*
- *Who completes the reports?*

E. Paychecks will be based on time sheets.

- *Who collects time sheets from the institutional departments who employ CWS employees?*
- *Who processes the payroll?*
- *Who reconciles the hours submitted on time sheets with money actually disbursed to CWS eligible student employees?*

CWS "ISSUES"--POSSIBLE ANSWERS 3

F. The total amount the student can earn is restricted.

- *Who determines the amount of the student's award?*
- *Who pays the nonfederal share?*
- *Who sees to it that the student does not earn more than the amount of the award?*
- *Who determines the hourly dollar amount a student must be paid?*

G. The earnings are within an overall institutional budget for the CWS program.

- *Who develops the budget, and who tracks total CWS expenditures?*

H. Some eligibility requirements are institutional policies.

- *Who develops the policies?*

SUMMARY OF THIS SESSION

- General institutional responsibilities, including eligibility and certification issues
- Separation of functions of awarding and disbursing aid
- Responsibilities of individual offices, including the key functions of the Business Office and the importance of close cooperation with the Student Financial Aid Office, the Registrar's Office, the Loan Collection Office, and the Office of the President
- Importance of a policies and procedures manual
- Mistakes that can be made in administering Title IV aid
- Evaluation of aid management and administration, including self-evaluation, program reviews, and audits
- Importance of proper recordkeeping in maintaining your institution's eligibility for Title IV program aid and avoiding liabilities
- Overall need for communication and understanding of the network of responsibilities involved in handling Title IV aid

SESSION
4

INTRODUCTION TO DISBURSEMENT, REFUND, AND REPAYMENT

OVERVIEW

(1½ HOURS)

A. Orientation to Session 4

B. Overview of Refunds and Repayments
    1. General Principles and Definitions
    2. Required Policies and Procedures

C. Applying and Disbursing Aid

D. Institutional Disbursement Policy
    1. Scheduling Lender Disbursement Dates
    2. Institutional Disbursement/Delivery Policy

E. Institutional Refund Policy
    1. Regular Institutional Refund Policy
    2. *Pro Rata* Refund Policy

F. Determining Title IV Portion of Refund

G. Institutional Allocation Policy

H. Repayments

MAIN OBJECTIVES

- Participants will distinguish between institutional and *pro rata* refund policies, institutional refunds, student repayments, and refund/repayment allocation policies
- Participants will apply aid to institutional charges
- Participants will disburse remaining aid as cash payments to students
- Participants will describe how to deal with "no-shows" and "drop outs"
- Participants will provide lenders with Stafford and SLS disbursement schedules
- Participants will calculate the amounts of Stafford, SLS, and PLUS loans attributed to academic payment periods
- Participants will calculate the total institutional refund owed to Title IV and to the student
- Participants will distribute (allocate) the portions of the institutional refund owed to each individual Title IV program and to lenders in a timely manner
- Participants will calculate the total student repayment owed to Title IV programs

A. ORIENTATION TO SESSION 4

This session will help answer questions like:

- If a student who paid all institutional charges entirely with his or her own funds withdraws, is the student due a refund? We can answer this by applying the institution's refund policy.
- What happens if the student is a Title IV recipient and made the original payments with Title IV and/or with his or her own funds?
- If we must return a portion of a refund to Title IV accounts, which Title IV programs get priority for refunds?
- How does the cohort default rate for the guaranteed student loan programs affect the institution's refund policy?
- In summary--what are a school's Title IV obligations when a student withdraws, drops out, or is expelled?

B. OVERVIEW OF REFUNDS AND REPAYMENTS

1. General Principles and Definitions

In addition to meeting standard eligibility requirements for receipt of Title IV assistance, students must maintain their enrollment status in the eligible institution/program for which they are receiving these educational funds.

When students withdraw, drop out or are expelled, the school may owe them a refund of payments they made for institutional charges. The amount of the **institutional refund**, if any, will be calculated:

- using the school's **refund policy**, except that:
- schools with a cohort default rate exceeding 30% must use a ***pro rata* refund policy** for students receiving guaranteed loans

If students are Title IV recipients, a portion of the refund must be returned to Title IV programs.

Title IV recipients who withdraw, drop out or are expelled after receiving a cash disbursement to cover education-related expenses may have received **overpayments** which must be repaid. The amount of the overpayment--total assistance disbursed as cash to the student minus the student's education-related costs for the actual period of attendance--is determined using the institution's **repayment policy**.

The amount which must be refunded by the school or repaid by the student to Title IV programs is determined using the **distribution formula** specified in Title IV regulations.

Important Definitions:

Refund: The return of funds credited to a student's account to cover institutional charges after the student withdraws from school. When students withdraw, they may be entitled to receive refunds of amounts paid. However, if students were Title IV aid recipients, a portion of their refunds must be returned to Title IV.

The term *refund* is being used in the same way here as in the regulations (34 CFR 668.22) and in all ED publications. Unfortunately, the term *student refund* is sometimes used by others to refer to cash disbursements, and this has created much confusion.

Repayment/Overpayment: When Title IV aid recipients who have received cash disbursements withdraw from school, the school must determine whether they owe a repayment. If the cash disbursement (excluding CWS, PLUS, SLS, and Stafford Loans) was greater than their living expenses before withdrawal, the difference is an overpayment. A portion of the overpayment must be collected from the student and returned to Title IV.

Drop-Out Date: This is the last recorded date of class attendance that can be documented by the school, and is not necessarily the same as the withdrawal date. If a student *unofficially* withdraws, the drop-out date *must* be used in calculating refunds and repayments .

For further information, see *The Blue Book* page 62.

Withdrawal Date: The date that the student officially* withdraws from school, or the school determines that the student has unofficially withdrawn. If a student *officially* withdraws, the withdrawal date *must* be used in calculating refunds and

*In the GSL programs, the *official* withdrawal date is the date the student notifies the school of his or her withdrawal *or* the date of withdrawal specified by the student, *whichever is later.*

repayments. The withdrawal date under GSL is used to figure when to notify lenders and return proceeds to lenders. It is also used to return other Title IV portions of refunds. Schools must:

- return proceeds to the lender, under the GSL programs, within 60 days of the earliest of: the withdrawal date, the expiration of the academic term in which the student withdrew, or the expiration of the period of enrollment for which the loan was made
- return refund portions to Title IV accounts, for other Title IV programs, within 30 days of the withdrawal date

For more information on timely payment requirements under the GSL programs, see 34 CFR 682.607(c).

Payment Period: For an institution using semesters, trimesters, or quarters, these are considered payment periods for Title IV aid. For institutions *not* using academic terms:

- in the GSL and campus-based programs, a payment period is the period between the beginning and midpoint or between the midpoint and the end of the academic year or non-traditional program calendar
- in the Pell Grant program, a payment period is defined in 34 CFR 690.3 of the Pell Grant regulations

All refund and repayment calculations must take into account the fact that Title IV aid is attributable to specific payment periods.

Distribution Formula: Formula used to calculate the portion of an institutional or *pro rata* refund or an overpayment (repayment) which must be returned to Title IV programs.

It is important to remember the following points concerning refunds and repayments:

Refunds: Involve funds which were applied directly against a student's institutional charges (account).

*Examples of Institutional Charges:*____________________________

____

Repayments: Involve funds which were disbursed directly to students as cash payments for noninstitutional costs.

*Examples of Noninstitutional Costs:*__________________________

____

2. Required Policies and Procedures

Policies:

The determination of Title IV refund and repayment amounts is guided by regulatory formulas. However, institutions must develop sound policies which dictate the manner in which:

- aid is applied and disbursed
- institutional refunds are calculated
- refund/repayment monies are returned to Title IV accounts or lenders
- operational policies which outline the system for checking on enrollment and other administrative responsibilities involved in the refund/repayment process

Important Institutional Policies:

Institution's Refund Policy: Institutionally approved policy that governs the refund of monies due to students who terminate their enrollment prior to the end of a payment period. For students who withdraw, drop out, or are expelled, this policy outlines the percentage of charges cancelled for specific dates of student departure. If a school participates in the GSL programs, it must have a *fair and equitable* policy. The policy is fair and equitable for GSL borrowers if it provides for a refund of at least the largest of the amounts provided under:

- state requirements; or
- the standards of the school's accrediting agency, if approved by the Department of Education; or
- if the school's accrediting agency has no such standards, NACUBO standards, or the standards of another accrediting agency, if approved by the Department of Education; or
- for certain schools with high default rates, a *pro rata* refund in accordance with applicable statutes and regulations

Refund and Repayment Allocation Policies: Institutionally developed policies that specify the manner in which Title IV refunds and repayments will be returned to the programs from which they were received. While institutions may determine

For further information, see *The Blue Book* pages 62, 72, and 80.

Be sure to check your school's *institutional refund policy* and *refund/ repayment allocation policies* with the guidelines on pages 80-81 of ***The Blue Book.***

For further information, see *The Blue Book* pages 73 and 81.

their allocation priorities, under no circumstances may refunds or repayments allocated to a particular program be in excess of the amount a student received from that program.

Institution's Aid Priority Policy: It is recommended that schools have a written policy specifying clearly the order in which aid will be applied to cover institutional charges.

Institution's Aid Disbursement/Delivery Policy: The earliest allowable dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.

***Pro Rata* Refund Policy:** If a school's default rate exceeds 30%, the school is required to use a *pro rata* refund policy for any student who has received a guaranteed loan, if the *pro rata* calculation results in a higher refund than the amount calculated using the institutional policy.

Institution's Repayment Policy: A consistently applied policy on the amount of noninstitutional education-related expenses incurred by students for a payment period.

Procedures:

Schools must have operational procedures which outline the system for checking enrollment and other administrative responsibilities for disbursement of financial aid. The procedure that a school must follow in calculating Title IV refunds and repayments involves five steps:

1. Attribute loan amounts, other financial aid, and payments from students to a specific payment period.*

2. Calculate the institutional refund amount using the student's drop-out or withdrawal date, as applicable, and the school's refund policy, and calculate the student's repayment amount using the school's policy for noninstitutional costs.

*Including escrow disbursements from agencies on behalf of lenders.

3. Determine the refund/repayment amounts which must be returned to Title IV programs using the required distribution formula.

4. Allocate the Title IV share of refund/repayment amounts to the individual program accounts using the institution's allocation policy.

5. Return the Title IV funds to program accounts within specified time limits.

C. APPLYING AND DISBURSING AID

For further information, see *The Blue Book* pages 61-81 and 101.

In calculating Refunds and Repayments, it is necessary to know which aid was applied to cover institutional charges and which aid was received by the student as a direct payment. For example, Sample College identifies 4 main categories of aid, as shown below:

Remember, with Pell Grant funds, schools must ask the students' permission to credit their accounts for anything other than tuition, fees, and room and board contracted with the school.

SAMPLE COLLEGE: MAIN CATEGORIES OF AID

I. Aid awarded in the form of remission of tuition and fees.

II. Grant aid awarded to cover tuition and fees and/or housing depending on any aid-specific restrictions.

III. Loan aid awarded to the student for tuition and fees and/or housing which must be repaid by the student.

IV. All other.

Note: This is an example of one way an institution might credit student accounts.

Using these categories, a detailed credit code priority table can be developed. This allows the school to apply aid in a consistent manner to cover the student's institutional charges. School staff will always know the order in which different types of aid are to be used. As an example, Sample College's priority table is shown on the next page.

SAMPLE COLLEGE'S CREDIT CODE PRIORITY TABLE

Credit Code	*Priority*	*Type of Credit*
I		**Institutional Tuition and Fee Remission**
	1	- Tuition and Fee waivers
	2	- Staff
II		**Institutional Grants Stipulating Application of Fees (Gift Aid)**
	3	- State Grants/Scholarships
	4	- Federal Grants
	5	- Pell Grants
	6	- SEOG
	7	- Athletic Grant in Aid
III		**Loans To Be Repaid by Student**
	8	- Perkins Loan
	9	- Stafford, PLUS, SLS loans
IV		**All Other**
	10	- Tuition deposits
	11	- Housing deposits
	12	- Foreign study deposits

The student account card on the next page shows the aid applied for Rachel Roberts, an imaginary student at Sample College. Note these important points:

- the aid is applied to Rachel's account in the order specified in the credit code priority table
- the awards shown are for one payment period only--the Fall semester
- cash is disbursed from lowest priority funds first

ACCOUNT CARD: Rachel Roberts

DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
09/03/X2	Tuition - 12 Credit Hours	1,500		1,500
09/03/X2	Merit Scholarship		500	1,000
09/05/X2	Pell Grant		1,000	0
09/10/X2	Stafford Loan - Cash		1,150	-1,150
09/10/X2	Perkins Loan - Cash		2,000	-3,150
09/10/X2	Pell Grant - Cash		100	-3,250
09/10/X2	Check #H-451	3,250		0

If the aid is insufficient or just enough to cover tuition, fees, and room and board contracted with the institution, no cash will be disbursed. The student may still owe money.

If the student aid is more than enough to cover tuition, fees, and institutional room and board, your school:

- may, under specific conditions, hold the remaining aid in the student's account for future institutional charges. For example, schools may hold Pell Grant funds remaining after tuition, fees, room, and board charges have been satisfied only if the student gives written permission, and this permission may be withdrawn at any time;
- may hold and make monthly payments of Stafford/ SLS loan proceeds only if the student gives written permission; **or**
- may make a cash disbursement (in the form of cash or check) to the student.

D. INSTITUTIONAL DISBURSEMENT POLICY

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1. Scheduling Lender Disbursement Dates

Lenders are required to make multiple disbursements of Stafford and SLS loans **according to a schedule certified by the school**:

- No disbursement can exceed one-half of the loan total.

- A second disbursement cannot be made before one-half of the loan period has passed.
- Stafford and SLS proceeds may be disbursed by the lender up to 30 days prior to the date the student is expected to enroll if provided for in the disbursement schedule provided by the school to the lender.

Exceptions:

- A single check representing both disbursements can be made if it coincides with the second disbursement schedule.
- A second disbursement may be made at the beginning of the second term.
- The school should keep in mind requirements for a 30-day delay in delivery of Stafford and SLS funds to first-time first-year undergraduate borrowers.* It is important, especially in the case of SLS loans which begin to accrue interest from the date of disbursement, that schools schedule lender disbursement dates which correspond to the delayed delivery requirements.

In scheduling lender disbursement dates, it is important to distinguish between **disbursement** and **delivery** of Stafford and SLS funds. In the Stafford and SLS programs, **disbursement** is the process of transmitting loan proceeds to the school for delivery to the borrower. **Delivery** is the process in which the school transmits Stafford and SLS loan proceeds to the borrower.**

A school often may request that a lender **disburse** the funds (that is, cut the check and mail it to the school) up to thirty days before classes begin.*** However, a school may not credit Stafford and SLS funds to the accounts of registered students until 21 days before the start of classes, nor deliver Stafford and SLS proceeds to registered students until 10 days before the first day of classes. Schools should also bear in mind that lenders begin to bill the Federal Government for interest and/or special allowance benefits on GSL loans when the check is disbursed. The school's actions in this area commit the Federal Government to excessive costs if the disbursement and delivery policies and procedures are not closely adhered to.

***First-time first-year undergraduate borrowers* are those who have not previously received a Stafford or SLS loan and are entering the first year of an undergraduate program. For example, this would include transfer students who have completed the first year of another program but are entering the first year of an undergraduate program at your school.

**In the PLUS program, the lender transmits the check directly to the PLUS borrower--the parent.

***A school cannot request these early dates from lenders if it must delay disbursement to first-time, first-year undergraduate Stafford or SLS borrowers.

In addition, Stafford and SLS funds will not necessarily be available to the students as soon as they are registered. Schools are responsible for prompt delivery of Stafford and SLS funds. However, many schools:

- are unable to deliver the large number of Stafford and SLS checks they receive during the first few days of the term, or
- have procedures which require that Stafford and SLS checks be endorsed by the student, deposited in a school account, and a school check drawn for amounts owed the student in excess of tuition owed (except when a school receives funds by electronic fund transfer*).

Disbursements should be scheduled to allow schools adequate time to verify student eligibility and perform any check processing requirements such as recording or endorsing checks prior to delivery. Schools should consider the administrative, regulatory and operational factors affecting **both** the Financial Aid Office and the Fiscal Office before providing lenders with disbursement dates for students.

Schools need to adhere to the same requirements for the disbursement and delivery of funds if they are involved in the electronic fund transfer of GSL funds from an escrow agent. Such schools receive a clearinghouse deposit or EFT roster. The deposit or roster lists the student's name and social security number, and has a mechanism for tracking funds to a lender that were disbursed to a school and delivered to a student. The EFT method mirrors the paper check audit trail.

2. Institutional Disbursement/Delivery Policy

Regulation vs. Institutional Policy

It is recommended that schools develop an institutional policy which dictates the earliest date in relation to registration or class attendance on which a school will apply aid funds to student accounts or deliver aid to students as direct cash payments.

- Institutional disbursement/delivery policies should be printed and distributed to students along with award notices.

*The student must authorize the lender and school to use electronic fund transfer (EFT). The student does so by signing a loan application or promissory note that contains language authorizing EFT transfers. However, if the school finds that funds are not delivered to the student within 30 days of signing the application or the promissory note, the student must sign a separate waiver statement from the school authorizing delivery by EFT prior to the delivery of the loan proceeds.

Except for the delayed delivery of Stafford and SLS checks (for first-time first-year undergraduate borrowers) and disbursements by escrow agents, the regulations allow schools to disburse Pell Grant and campus-based funds and to deliver Stafford and SLS funds to **registered students** :

- as credit to account up to 21 days prior to the first day of class, or
- by direct payment to students up to 10 days prior to the first day of class

However, institutions are responsible for returning Title IV funds which are disbursed to "no shows" or are attributed to subsequent payment periods.

No Shows: Special rules apply to students who officially withdraw, are expelled, or drop out before the first day of classes. For example, if a student has dropped out, and not even one day of class attendance can be documented, the student is considered to have withdrawn before the first day of class. For "no show" students, all Title IV aid (except Stafford, SLS and PLUS funds disbursed as cash to students registered for classes and not paid to the school) must be restored to program accounts and/or lenders in its entirety. Your school is liable for any funds it is unable to collect from students. **No Title IV aid may be retained**, not even for items such as non-refundable deposits, (except for Stafford, SLS and PLUS funds disbursed as cash to students registered for classes and not paid to the school).

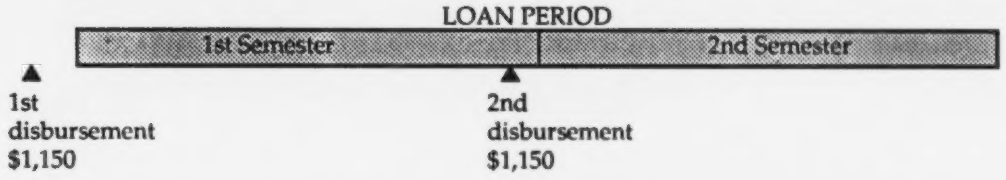
If your school policy is to disburse cash to students only after the first day of class attendance, no shows can be handled easily. Aid which has been disbursed only to cover institutional charges can be cancelled and returned to Title IV program accounts and/or lenders.

Attribution to Payment Periods

Only that portion of a guaranteed student loan, scholarship or other aid attributed to the payment period in which a student withdraws may be used in calculating the amount of refund to Title IV programs. The school must return amounts attributable to subsequent payment periods to the lender or aid program if these amounts were used to pay for school charges.

EXAMPLE A - ATTRIBUTING GUARANTEED LOAN TO PAYMENT PERIODS

The school has requested that the lender disburse a $2,500 Stafford Loan in two installments, two weeks prior to the start of each semester.

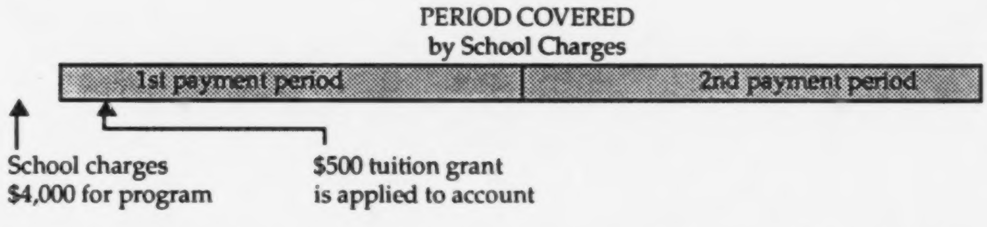

LOAN PERIOD
1st Semester
2nd Semester
1st disbursement $1,150
2nd disbursement $1,150

In this case, the first installment (less insurance and origination fees) is attributed to the first payment period, and the second installment is attributed to the second payment period, even though it was disbursed before the first payment period was over. If the student withdraws before the end of the first semester, or fails to enroll for the second semester, the school must return to the lender all second disbursement proceeds (except amounts disbursed as cash to student).

Under specified conditions, schools may be permitted to disburse SEOG and Perkins Loans in one payment rather than in installments corresponding to payment periods. When a school uses this option for Title IV or institutional aid funds, and the student withdraws, the single payment must be attributed to the payment periods covered by the award.

EXAMPLE B - ATTRIBUTING CASH OR OTHER PAYMENTS TO PAYMENT PERIODS

Eva Brown enrolls in the first of two 450-hour payment periods. The program consists of 9 months (900 hours) and Clock-Hour Tech charges tuition and fees for the full academic year at the time of enrollment. In addition to other aid, the school has credited Eva's account with a $500 tuition grant for school charges.


PERIOD COVERED by School Charges
1st payment period
2nd payment period
School charges $4,000 for program
$500 tuition grant is applied to account

The grant is considered to have been paid towards charges for the full year. When Eva withdraws in the first payment period, only $250 of the tuition grant may be attributed to the payment period. (Note that this calculation is only required for recipients of Title IV funds). The institutional aid policy of Clock-Hour Tech provides for the return to the School Grant fund of any remaining tuition grant funds not used in the refund calculation.

Payment period attribution also applies to cash payments received from students. If a school requires students to pay charges at the beginning of the academic year or period of enrollment, any cash payments made toward these charges must be considered to have been made for the full academic year. Only the portion of the student's payment attributed to the payment period in which the student withdraws may be counted in the refund calculation.

Institutional policies which link the earliest dates aid may be disbursed to account or delivered to students to specific time periods on their academic calendars, greatly reduce the school's liabilities for refund/repayment of Title IV funds.

E. INSTITUTIONAL REFUND POLICY

For further information, see *The Blue Book* pages 62-64, 72, and 80.

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1. Regular Institutional Refund Policy

Each institution that participates in the GSL programs must have an Institutional Refund Policy in place which is published and distributed to students. The school's institutional refund policy must be consistently applied to GSL borrowers. Also, it must meet any state requirements, must be consistent with the specific refund standards established by the school's nationally recognized accrediting agency, if any, and those standards approved by ED. (Standards for a fair and equitable refund policy may be found in 34 CFR 682.606 and Appendix A of the GSL regulations.)

Federal regulations define the term "institutional refund" as the amount paid for institutional charges for the payment period by financial aid and/or cash payments minus the amount retained by the institution for the portion of the payment period that the student was actually enrolled at the institution.*

***Charges paid** is the amount actually paid towards school charges, including financial aid and/or cash payments from the student.

Important Notes: In the calculation of the total refund amount, the following must be remembered:

- Any cash payments made by, or on behalf of the student to the institution are included in the refund determination.

- Any award funds paid out to the student to cover noninstitutional charges should not be included in the refund calculation.

Applying the School's Refund Policy

In order to calculate the institutional refund amount, a school must know the following about a student:

- total institutional charges for the payment period
- withdrawal date (the date that the student officially notifies the school that he or she has withdrawn)
    - -- for students who drop out, the last recorded date of class attendance (as documented by the institution) is also needed
- total payments attributable to institutional costs for the payment period, and other payment credits.

Example A–Institutional (Regular) Refund
Case 1–Rachel Roberts, Sample College

(see the Regular Refund Worksheet on page 34)

Preliminary Step 1: Step for "no shows" does not apply since Rachel withdrew in the third week of the semester.

Preliminary Step 2: Amounts used to pay school charges included a $1,000 Pell award and a $500 scholarship. Both payments are attributed to the payment period that Rachel actually attended and must be used in the refund calculation.

Refund Calculation:

Step 1: Amount Retained by School (school refund policy): Using the Sample College refund policy and Rachel's withdrawal date, the actual charges to be retained by the institution are 55% or $825.

Step 2: Aid Awarded for the Period:

- Total Title IV aid received by Rachel: $4,350
- Total aid received by Rachel: $4,850

Sample College Refund Policy: (Credit-Hour Institution)

- Tuition and Fees are refunded as follows:

Prior to end of registration:	100%
Within week 1:	80%
Within week 2:	60%
Within week 3:	45%
Within week 4:	25%
After week 4:	0%

- Institutionally contracted Room and Board charges are refunded on a *pro rata* basis of 16 weeks per term.
- Living expenses are refunded on a *pro rata* basis according to weeks of enrollment completed in a 16 week term.
- Half of the academic year allowance for books, supplies, and miscellaneous expenses is considered to be used at the start of each term.

Clock-Hour Tech Refund Policy: (Clock-Hour Institution)

- Tuition and Fees are refunded based on the percentage of clock hours completed relative to the total number of hours in the program according to the following schedule:

Percentage of Clock-Hours Completed:	*Percentage Refunded by Institution:*
0	100%
0.1 - 4.9%	80%
5 - 9.9%	70%
10 - 14.9%	60%
15 - 24.9%	55%
25 - 49.9%	30%
50% and over	0%

- Living expenses are refunded on a *pro rata* basis according to the length of time the student attends school. A portion of a week counts as a full week for pro-ration purposes.
- The allowance for books, supplies, and miscellaneous expenses for a payment period is considered fully expended at the start of the payment period.

Step 3: Payments (for period) Credited to School Charges: As noted in Preliminary Step 2, the $1,000 Pell and $500 scholarship payments were credited to school charges for the payment period.

Step 4: Refund Amount: Using the information in calculation steps 1 and 3, we see that total charges paid less total retained by the school equals the total to be refunded. ($1,500 - $825 = $675 refund)

At this point, we are only calculating the refund amount due from the school under the institution's fair and equitable refund policy. The next step of the refund worksheet, which we will get to later in this session, determines the portion of the refund which must be returned to Title IV programs.

Exercise 1--Institutional (Regular) Refund
Case 2--Eva Brown, Clock-Hour Tech

From the information provided in Case 2, calculate the total amount to be refunded by Clock-Hour Tech. (Read the case information on page 37, then complete the preliminary steps and steps 1, 3, and 4 of Eva's refund worksheet on page 38.)

2. *Pro Rata* Refund Policy

While an institution may voluntarily develop an institutional policy for *pro rata* refunds, institutions with cohort default rates over 30% must implement *pro rata* refund calculations for students who received or benefitted from Stafford/PLUS/SLS loans for periods of enrollment on or after 10/01/89. (In award year 1990-91, this applied to students receiving any Title IV aid. Since the requirement that *pro rata* refunds be calculated for all Title IV aid recipients has not been extended, *pro rata* requirements apply only to students receiving or benefitting from guaranteed loans in 1991-92.)

Pro rata refunds are calculated using the following steps:

1. Determine the period of enrollment
2. Attribute aid disbursements and other credits to the payment period
3. Determine the percentage of the enrollment period completed by the student, using the last recorded date of attendance, then **round up to the nearest 10%**
4. Calculate the amount to be **retained** by the school:
   School Charges x Percent Completed = Amount Retained
5. Add unpaid charges, reasonable administrative fee, and cost of unreturned equipment, as detailed in regulations
   -- under the *pro rata* method, a school may retain an administrative fee equal to the **lesser** of $100 or 5% of the total charges
6. **Total Charges Paid - Total Retained = Refund**

Example B--*Pro Rata* Refund
Case 1--Rachel Roberts, Sample College

(see the *Pro Rata* Refund Worksheet on page 35)

Preliminary Steps 1 & 2: The same as on the Regular Refund Worksheet

Step 1: *Pro Rata* Amount Retained by School: Rachel withdrew during the third week of a 16 week semester--ED's *pro rata* refund policy is 13/16ths refund of tuition and fees, 3/16ths is retained.

Portion retained = 3/16ths, or 18.75%, rounded to 20% (regulations allow rounding up to the nearest 10%)

So amount of school charges retained = 20% x $1,500 = $300

Administrative Fee = **lesser of** $100 **or** 5% x $1,500 = $75

Amount Retained + Administrative Fee = Total Retained
= $300 + $75 = **$375 = Total Retained**

Step 3: Payments (for Payment Period) Credited to School Charges: $1,500 in payments were credited to school charges for the payment period.

Step 4: Refund Amount
Amount Paid - Amount Retained = Refund
= $1,500 - $375 = **$1,125 = Refund Amount**

Exercise 2--*Pro Rata* Refund
Case 2--Eva Brown, Clock-Hour Tech

Using the information provided in Case 2, calculate the total *pro rata* amount to be refunded by Clock-Hour Tech. (Complete the preliminary steps and steps 1, 3, and 4 on Eva's *pro rata* refund worksheet on page 39.)

Important Notes on *Pro Rata* Refunds:

Schools must begin using a *pro rata* policy upon notification that their default rate exceeds 30% and must continue using that policy until notified by ED that their default rate is 30% or less, for students who received or benefitted from a Stafford/SLS/PLUS loan for periods of enrollment on or after 10/01/89.

If the school's refund policy would result in a larger refund to the student, the school must use the institutional policy instead of the *pro rata* refund policy to calculate the refund.

The *pro rata* refund calculation is only required if the student's last day of attendance is before the halfway point in the program or within the first six months of when the student began the program of study, whichever comes first.

A school calculating a *pro rata* refund must consider the method it elects to use in handling book and supply costs in order to determine their treatment in a *pro rata* refund.

- If the school elects to include these costs as part of the student's program charge or the school assesses these charges on a term by term basis and ***requires*** students to purchase the books and supplies at the school's bookstore, these costs would constitute "other charges assessed the student by the school" in the *pro rata* refund calculation.
- If, however, students are given the ***option*** of charging books and supplies purchased at the school's bookstore to their account, or students purchase books and supplies separately using Title IV funds disbursed to the students for noninstitutional costs, these costs would *not* constitute "other charges assessed the student by the school" under 34 CFR 682.606(c)(1).

F. DETERMINING TITLE IV PORTION OF REFUND

For further information, see *The Blue Book* page 65.

Once the refund is calculated, institutions must determine whether the student received aid that must be returned to Title IV programs. College Work-Study is **excluded** from this determination because these funds are paid to students for hours worked.

For purposes of this step, Title IV aid that must be returned includes the following:

- Pell Grant
- SEOG
- Perkins, Stafford, SLS, PLUS, and Income Contingent loans
- State grants that include State Student Incentive Grant (SSIG) funds

If the student received any of the above types of Title IV aid, part of the refund must be returned to Title IV. The Title IV portion must be calculated using this regulatory formula:

Distribution Formula (for determining Title IV portion of refund)

$$\text{Amount to be returned to Title IV programs} = \text{Institutional Refund} \times \frac{\text{Total amount of Title IV aid* (excluding CWS and Byrd and Douglas Schol.) awarded for the payment period}}{\text{Total amount of aid from all sources (excluding all work program earnings, but including Byrd and Douglas Scholarships) awarded for the payment period}}$$

*Total Title IV aid does not include aid from the CWS, Byrd, or Douglas programs. It includes state grant aid only if the state has made it clear that SSIG funds are included in the state grant.

Important differences from the total refund calculation:

- Stafford, SLS, and PLUS loan amounts used in this formula are the amounts authorized/awarded--the **gross** amount of the loan for this payment period. (Again, loan funds attributed to a subsequent payment period are **not** considered at all.)
- Cash payments by the student's parents are **not** considered aid (unless the payment is the exact amount of a PLUS disbursement), and are not included in the formula. However, the amount of the PLUS loan certified by the school is included. It is also important to separate and differentiate between student/parent cash payments and loan checks that are logged or recorded as cash when they should be GSL checks.**

**Schools should bear in mind when they receive a PLUS payment from a parent that it should not be simply recorded as a cash payment for a student--the school should also indicate its origin as PLUS. Thus, such payments should be recorded as a cash payment/PLUS origin. This is especially important in regard to the relationship of PLUS money to Accounts Receivable when checks are co-payable to the parent and school as cash payments.

Non-Title IV aid to be included in the denominator of the Title IV distribution formula for refunds may include, but is not limited to:

- scholarships from private sources
- state assistance
- vocational rehabilitation assistance
- institutional scholarships and grants
- waivers of tuition/fees

Example C--Distribution Formula
Case 1--Rachel Roberts, Sample College
(see Regular Refund Worksheet on page 34)

Step 2: Aid Awarded for the Period:

Total Title IV aid received by Rachel: $4,350

Total aid received by Rachel: $4,850

Step 5: Distribution Formula--Amount to Title IV:

$$\text{Refund} \times \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} = \text{Amount to Title IV Programs}$$

Institutional Refund Policy:

$$\$675 \times \frac{\$4{,}350}{\$4{,}850} = \$605 \text{ Amount to Title IV}$$

Pro Rata Refund Policy (see page 35):

$$\$1{,}125 \times \frac{\$4{,}350}{\$4{,}850} = \$1{,}009 \text{ Amount to Title IV}$$

Note that the numerator is the total Title IV funds (except CWS) awarded to the student for the payment period. This includes PLUS loans to parents and aid disbursed for noninstitutional costs, as well as aid credited to the student's account for school charges. The numerator also includes Title IV aid awarded but not disbursed.

Exercise 3--Distribution Formula
Case 2--Eva Brown, Clock-Hour Tech
Calculating the Title IV Portion of the Refund

From the information provided in Case 2, answer these questions (complete the necessary steps on Eva's refund worksheet):

1. What is total amount of Title IV aid awarded for the payment period?
2. What is the total amount of aid awarded for the payment period?

3. What is the amount to be returned to Title IV programs (the Title IV portion of the refund) under:
   (a) the regular policy (b) a *pro rata* policy?
4. What is the amount to be refunded to Eva and/or institutional programs under:
   (a) the regular policy (b) a *pro rata* policy?

G. INSTITUTIONAL ALLOCATION POLICY

For further information, see *The Blue Book* pages 67, 73, and 81.

Allocating the Title IV Portion of Refund

How will Title IV refunds be allocated among Title IV program accounts and/or lenders? Federal regulations include requirements for a written school policy which is consistently applied, no amount to CWS, and return of individual program amounts limited to no more than the amount originally received from that program. There may also be state requirements. However, within the regulations and guidelines, schools are free to choose the allocation method which is most effective and appropriate for them. Three methods are described below.

A. Priority Distribution: Title IV portions of refunds may be allocated to program accounts* according to an institutional priority based on the school's needs. For example, an institution may decide to first refund SEOG, then Perkins** funds in order to make those funds available to other students. In such a case, the Title IV refund would be first applied to the SEOG account (not to exceed the amount awarded), and any remaining Title IV refund applied to the Perkins program. Alternatively, an institution may desire to first reduce a student's loan obligations, thereby making loan programs the refund priority.

- *Program Prioritizing*--If the institution decides to return Title IV funds on a priority basis, the allocation policy must state the order in which funds will be allocated. Policies will vary among institutions, but should consider the student's situation (for example, "drop-outs" may be unlikely to have the means to repay loans) and the institution's funding (some institutions may have a low Perkins or SEOG fund balance).

*In the case of the Stafford, SLS, and PLUS programs, amounts are paid to the lender.

Handling Perkins Amounts:
- if the Perkins amount is returned in the same award year as the loan is made, treat it as a reduction in the loan amount, and revise the promissory note
- if the Perkins amount is returned in a subsequent award year, treat it as a reduction in the loan principal or a prepayment--do not revise the promissory note

B. Proportional Distribution: Returns to program accounts may be made in the proportions in which they were awarded. For example, if 70% of the award was a Pell Grant and 30% was an SEOG grant, the institution could make a 70/30 split of the Title IV portion of the refund to these two programs.

C. Equal Distribution: Returns to program accounts might be made by simply dividing the refund equally between all program accounts from which awards were made. In the example cited above, the refund would be split 50/50 between Pell and SEOG.

Exercise 4--Institutional Allocation Policy
Case 2--Eva Brown, Clock-Hour Tech

Allocate the Title IV portion of the refund from Eva's account to the appropriate aid programs. Use the Title IV refund amount calculated on Eva's Regular Refund (School Policy) Worksheet. For this exercise, choose one of the allocation formulas: Proportional, Equal, or Prioritized. Write your results in the Refund column at the bottom of page 40.

Note: If you choose Prioritized, assume that Clock-Hour Tech uses the following Priority Allocation Policy:

- 1st - reduce external loan debt
- 2nd - return funds to campus-based grants
- 3rd - return funds to campus-based loans
- 4th - return funds to Pell Grants

Timely Distribution to Title IV Program Accounts

For further information, see *The Blue Book* pages 62-63 and 68.

The Title IV portions (other than Stafford Loan, SLS, PLUS and CWS) of the refund must be returned to program accounts within 30 days of the student's withdrawal date or, in the case of a drop-out, 30 days from the date that the school determines that the student has dropped out.

Stafford, SLS and PLUS portions of refunds must be returned to the lender within 60 days of the date that the student officially withdraws or is expelled from school, or the school determines that the student has unofficially withdrawn. However, in the case of leaves of absence, Stafford, SLS, and PLUS refunds must be returned to the lender within 30 days of the date that the student fails to return from the last day of an approved (scheduled) leave of absence.

Schools that are found to be delinquent in this regard during audits or program reviews will incur financial liability.

H. REPAYMENTS

For further information, see *The Blue Book* pages 68-81.

If a Title IV recipient withdraws, drops out, or is expelled after receiving a cash disbursement for noninstitutional costs, the institution must determine whether the student has received an overpayment. *An overpayment is the cash disbursement a student received, excluding CWS earnings and Stafford, SLS, and PLUS, minus noninstitutional costs reasonably incurred by the student during the actual period of enrollment.*

To determine whether there was an overpayment, the school must know the following information for the payment period:

- financial aid disbursements to the student
- the student's termination date
- the amount of noninstitutional expenses incurred for the actual period of enrollment

Any overpayment must be repaid by the student.

Note: All cash disbursed* to a student for noninstitutional costs for a payment period is considered an overpayment if that student withdraws, is expelled, or drops out before the first day of classes for that payment period.

*Other than Stafford, SLS, PLUS, and CWS funds.

NOTES AND REFERENCES

Determining Noninstitutional Costs

For further information, see *The Blue Book* pages 69-70.

The institution must have a written policy on the repayment process, including the handling of noninstitutional costs. Noninstitutional costs include books, supplies, room and board (if not contracted with the institution), transportation, personal and miscellaneous expenses, dependent care, equipment and expenses related to a handicap, and medical and dental costs.

When determining noninstitutional costs incurred, the school must apply the policy uniformly. However, individual student circumstances should be considered when examining actual expenses incurred during the period of enrollment.

Institutions must outline in their policy the means for determining "reasonable" noninstitutional costs which consider departure dates and the timing of costs incurred. For example, a standard books/supplies cost of $300 per semester will be incurred in its entirety at the beginning of the semester. Off-campus room and board costs, however, might be pro-rated on a weekly basis.

Determining the Total Repayment

For further information, see *The Blue Book* pages 69-70.

In order to calculate repayments, the institution must know the amount and composition of the aid disbursed for the payment period. Unlike refunds, repayments are not made to the Stafford, PLUS, or SLS programs. It is therefore necessary to subtract these sources of assistance prior to the repayment amount determination.

Example D–Institutional Repayment Policy
Case 1–Rachel Roberts, Sample College
(see Repayment Worksheet on page 36)

Preliminary Step 1: This step for "no shows" does not apply since Rachel withdrew in the third week of the semester. (If a student who received cash disbursements withdraws, drops out, or is expelled before the first day of classes, the school must return any cash disbursement of Pell Grant, Perkins, ICL, or

SEOG funds to the program accounts, regardless of whether it can collect the funds from the student.)

Preliminary Step 2: Amounts disbursed to student for noninstitutional costs during the period (excluding Stafford, SLS, PLUS and CWS). Rachel's cash disbursements covered only the period actually attended and must be used in the repayment calculation.

Repayment Calculation:

Step 1: Living Expenses Incurred (repayment policy): Using the Sample College repayment policy and Rachel's withdrawal date, the costs incurred by Rachel are calculated to be $1,500.

Step 3: Payments (for period) to Student: Rachel received cash disbursements of $100 from her Pell Grant and $2,000 from her Perkins Loan for a total of $2,100.

Step 4: Repayment Amount: Using the information in calculation steps 1 and 3, we see that total cash disbursed less total expenses incurred equals the total to be repaid by Rachel.
$2,100 - $1,500 = $600 repayment

Determining the Title IV Portion of the Repayment

Once it is determined that a repayment is due, the institution must identify the portion of the repayment which must be made to the Title IV programs. The formula is:

NOTES AND REFERENCES

For further information, see *The Blue Book* pages 70-71.

Title IV Distribution Formula for Repayments

$$\text{Amount to be returned to Title IV programs} = \text{Total Repayment or Overpayment} \times \frac{\text{Total amount of Title IV aid (minus CWS earnings, Byrd and Douglas Schol., and Stafford/SLS/PLUS loans) awarded for the payment period}}{\text{Total amount of aid from all sources (minus all work program earnings and Stafford/SLS/PLUS loans, but including Byrd and Douglas Scholarships) awarded for the payment period}}$$

The formula is similar to that used to determine refunds, with the exception that Stafford, PLUS, and SLS loans are excluded from the calculation.

Allocating the Title IV Repayment

For further information, see *The Blue Book* pages 71, 73, and 81.

As is the case with refunds, the final step in the repayment process is the allocation of the repayment to Title IV program accounts. The amount allocated to the account, however, may not exceed the amount received from that program. Schools may use a similar policy for repayment allocation as their policy for allocating refunds. However, no portion of a repayment is returned to Stafford, SLS, or PLUS lenders.

Example E--Repayment Formula
Case 1--Rachel Roberts, Sample College

(see Repayment Worksheet on page 36)

Step 2: Aid Awarded for the Period:

Total Title IV aid received by Rachel: $3,100

Total aid received by Rachel: $3,600

Step 5: Distribution Formula- Amount to Title IV:

$$\text{Repayment} \times \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} = \begin{matrix}\text{Amount to} \\ \text{Title IV Programs}\end{matrix}$$

Institutional Refund Policy:

$$\$600 \times \frac{\$3{,}100}{\$3{,}600} = \$516 \text{ Repayment to Title IV}$$

Allocation:

- **Prioritized** allocation would return the entire repayment of $516 to either Pell or Perkins.
- **Equal** allocation would return repayments of $258 to Pell and Perkins.

REFUND AND REPAYMENT SUMMARY INFORMATION

Institutional Refund Calculation

Include:
- all aid received
- cash payments
- Stafford, SLS, and PLUS **net** amount received

Exclude:
- all work earnings
- funds disbursed to student

Distribution Formula for Determining Title IV Portion of Refund

Include:
- all aid awarded
- Stafford, SLS, and PLUS **gross** amount awarded

Exclude:
- CWS/all work earnings
- cash payments made by student/parent

Total Repayment Calculation

Include:
- Pell, SEOG, Perkins, SSIG, ICL, and nonfederal aid received

Exclude:
- all work earnings
- Stafford, PLUS and SLS loans

Distribution Formula for Determining Title IV Portion of Repayment

Exclude:
- CWS/all work earnings
- Stafford, PLUS and SLS loans
- cash payments made by student/parent

Points to Remember:

- All calculations involve aid attributed to the payment period during which the student withdrew, dropped out, or was expelled.
- Refunds and repayments to Title IV accounts cannot exceed the amounts received from those programs.
- If attendance in class cannot be established, aid must be returned in its entirety to aid program accounts.
- All funds disbursed in cash to student must be excluded prior to making refund calculations.
- In determining the amount of a refund due to the Stafford, SLS, or PLUS programs, the school may elect to return an amount equal to the full guarantee.

- **Proportional** allocation would return the repayment as follows:
  - -- to Perkins, the proportion is $2,000 divided by $3,100; 65% of $516 is **$335**
  - -- to Pell, the proportion is $1,100 divided by $3,100; 35% of $516 is **$181**

Collection: It is the institution's responsibility to attempt to collect repayments due from the student, and a written policy should be developed to cover this activity. If after notifying the student of the overpayment the school's attempts to collect it are unsuccessful, the school must refer cases involving Pell Grants to the Department of Education for collection (and may refer cases involving other Title IV programs to ED). The institution is not liable unless the overpayment was its fault. Until the repayment is made, schools must retain records showing the repayment owed, and must communicate this information to other postsecondary institutions via Financial Aid Transcripts (FATs). The student is not eligible for additional Title IV aid until the repayment is made. Schools may also withhold academic transcripts for students who owe repayments, although this is not required by federal regulations. However, FATs may not be withheld if requested by the student.

General Information: The following should be considered in evaluating and making refunds and repayments:

- If a student officially withdraws, drops out, or is expelled before the first day of class, the institution must return any Pell, Perkins, or SEOG funds which were credited to the account or disbursed to the student, whether or not the school is able to collect the repayment.
- If a student receives loan proceeds from Stafford, SLS or PLUS but withdraws before attending class and was registered, the institution must return to the lender any portion of the loan used to cover institutional charges. If the student never registered, the entire amount of the loan proceeds must be returned to the lender.
- If a student withdraws without notifying the school and the school cannot document the last date of attendance, the entire amount of cash disbursed to that student is considered an overpayment.

SUMMARY

In this session, we looked at:

- general principles and important terms involved in disbursement, refund, and repayment
- required school policies and procedures, including regular and *pro rata* refund policies
- how student financial aid is applied to the student's account at the institution
- disbursement and delivery policies, procedures, and dates
- what happens when a Title IV aid recipient withdraws, drops out, or is expelled during the payment period
- how the institution determines whether it must return part or all of the Title IV aid which has been applied to a student's account, and the portion of the refund to be returned to Title IV programs
- how any financial aid that remains after the student's account is settled may be disbursed to the student as a cash payment
- what happens when a Title IV aid recipient who received such a cash disbursement withdraws, drops out, or is expelled during the payment period
- how the institution determines whether the student owes a repayment of Title IV aid which has been disbursed as cash, and the amount of this repayment
- how the Title IV portions of refunds and repayments are allocated among Title IV programs

For further information on the topics covered in this session, see *The Blue Book* Chapter 2, pages 61-81.

================END OF SESSION 4=============

Note: The following pages contain the completed Rachel Roberts Case Study and the fill-the-blanks version of the Eva Brown Case Study.

CASE 1 Rachel Roberts SAMPLE COLLEGE

Sample College is a four-year school that operates on a semester system; each term is 16 weeks long. The College participates in all of the campus-based programs, as well as the Pell Grant and guaranteed loan programs.

REFUND POLICY

Tuition and fees are refunded according to the following schedule:

If student withdraws:	*The school refunds:*
Before classes	100%
Within week 1	80%
Within week 2	60%
Within week 3	45%
Within week 4	25%
After week 4	0%

Institutionally contracted Room and Board charges are refunded on a *pro rata* basis of 16 weeks per term.

REPAYMENT POLICY

Sample College prorates all expenses on a weekly basis, and one-half of the Academic Year books/supplies expenses are considered incurred the first week of classes.

STUDENT INFORMATION

Rachel Roberts is an undergraduate student in her sophomore year who withdraws from Sample College during the third week of classes.

Student Budget: Semester Costs

Tuition and Fees	$1,500
Room & Board (off campus)	$ 200 per week
Transportation	$ 100 per week
Personal Expenses	$ 100 per week
Books/Supplies	$ 300 per semester

Aid Awarded and Disbursed

For the payment period, Rachel received:

Merit Scholarship	$ 500	
Pell Grant	$1,100	($100 disbursed to her)
Perkins Loan	$2,000	($2,000 disbursed to her)
Stafford Loan	$1,150	(all disbursed to her)

Note: The $1,150 Stafford Loan represents a $1,250 award for the payment period less origination and insurance fees.

REGULAR REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
Stafford	0	-	1,150	=	none
Pell	1,000	-	1,000	=	none
Merit Sch.	500	-	500	=	none
		-		=	
		-		=	
		-		=	

Name: Roberts, Rachel

SSN: 535-00-9999

Payment Period Start Date: 9/02/X2

Withdrawal Date: 9/26/X2

Drop-Out Date: Same

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees	1,500	× 55%	825
Room			
Board			
	Administrative Fee		–
	Total Retained		825

STEP 2 Aid Awarded for Payment Period

Stafford	1,250
SLS	
PLUS	
Perkins	2,000
ICL	
SEOG	
Pell	1,100
SSIG	
A. Total Title IV Funds	4,350
B. School and Other Aid	500
C. Total Aid (add A and B)	4,850

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	
SLS	
PLUS	
Perkins	
ICL	
SEOG	
Pell	1,000
SSIG	
Cash Payment by Student	
School and Other Aid	500
Total Paid Charges	1,500

STEP 4 Refund by School

Total Paid Charges (from Step 3)	1,500
Total Retained (from Step 1)	- 825
Refund	675

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{675} \times \frac{\boxed{4,350}}{\boxed{4,850}} = \boxed{605}$$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

Name: Roberts, Rachel

SSN: 535-00-9999

Payment Period Start Date: 9/02/x2

Withdrawal Date: 9/26/x2

Drop-Out Date: Same

PRELIMINARY STEP 2 **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
Stafford	0	-	1,150	=	none
Pell	1,000	-	1,000	=	none
Merit Sch.	500	-	500	=	none
		-		=	
		-		=	
		-		=	

STEP 1 *Pro Rata* **Amount Retained by School (based on §682.607)**

School Charges	x	% of Program Completed	=	Amount Retained
1,500	x	20%	=	300

3/16 = 18.75% — round to 20%

Administrative Fee + 75

Total Retained 375

STEP 2 **Aid Awarded for Payment Period**

Stafford	1,250
SLS	
PLUS	
Perkins	2,000
ICL	
SEOG	
Pell	1,100
SSIG	
A. Total Title IV Funds	4,350
B. School and Other Aid	500
C. Total Aid (add A and B)	4,850

STEP 3 **Payments (for Payment Period) Credited to School Charges**

Stafford	
SLS	
PLUS	
Perkins	
ICL	
SEOG	
Pell	1,000
SSIG	
Cash Payment by Student	
School and Other Aid	500
Total Paid Charges	1,500

STEP 4 **Refund by School**

Total Paid Charges (from Step 3) 1,500

Total Retained (from Step 1) - 375

Refund 1,125

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

Refund (from Step 4) X Title IV Funds Awarded (from Step 2A) / Total Aid Awarded (from Step 2C) = Amount to Title IV Programs

$$\boxed{1,125} \times \frac{\boxed{4,350}}{\boxed{4,850}} = \boxed{1,009}$$

REPAYMENT WORKSHEET

Name: Roberts, Rachel
SSN: 535-00-9999
Payment Period Start Date: 9/02/x2
Withdrawal Date: 9/26/x2
Drop-Out Date: Same

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	200	x 3	600
Books/Supplies	300		300
Transportation	100	x 3	300
Dependent Care			
Personal	100	x 3	300
		Total Incurred	1,500

STEP 2 Aid Awarded for Payment Period

Perkins 2,000
ICL
SEOG
Pell 1,100
SSIG
A. Total Title IV Funds 3,100
B. School and Other Aid 500
C. Total Aid (add A and B) 3,600

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins 2,000
ICL
SEOG
Pell 100
SSIG

School and Other Aid —
Total Cash Disbursed 2,100

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) 2,100
Total Incurred (from Step 1) - 1,500
Repayment 600

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{600} \; X \; \frac{\boxed{3{,}100}}{\boxed{3{,}600}} = \boxed{516}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund 1,009
Stafford
SLS
PLUS
Perkins
ICL
SEOG
Pell
SSIG

Repayment 516
Perkins
ICL
SEOG
Pell
SSIG

CASE 2 Eva Brown CLOCK-HOUR TECH

Clock-Hour Tech offers a 900 clock-hour 9 month program in word processing. Normal practice at Clock-Hour Tech is to pay for the entire course up front. For Title IV purposes, the program is considered as two 450-hour payment periods.

REFUND POLICY

Tuition and Fees are refunded according to the following schedule:

Percentage of Clock Hours Completed	*Percentage Refunded*
0	100%
0.1 - 4.9%	80%
5 - 9.9%	70%
10 -14.9%	60%
15 - 24.9%	55%
25 - 49.9%	30%
50% and over	0%

DISBURSEMENT POLICY

The school uses the following priority table to disburse aid to student accounts.

I. Loans to be Repaid by Students
    1. Stafford Loans
    2. SLS

II. Institutional Grants/Scholarships
    3. Scholarships
    4. SEOG
    5. Pell Grants

III. All Other
    6. Tuition Deposits

REPAYMENT POLICY

Off-campus living expenses are pro-rated based on the percentage of time completed. Books and supplies expenses are incurred at the beginning of each program.

STUDENT INFORMATION

Eva Brown is a returning student who enrolls in Clock-Hour Tech's Word Processing program. She withdraws from the program after 90 hours of class.

Student Budget for 900-Hour Program

Tuition and Fees	$4,000
Room and Board	$1,750
Books & Supplies	$ 150
Transportation	$ 800
Personal	$ 630

Aid Awarded and Disbursed

For the payment period, Eva received:

School Grant	$ 500	(for 900-hour course)
Pell Grant	$1,100	($825 disbursed to her)
SEOG	$2,000	
Stafford Loan	$1,225	

Eva's Stafford Loan disbursement for the first payment period was received during the second week of classes. The school applied the $1,225 payment (half of the $2,625 award, less insurance and origination fees) to her account and gave her a check for $825. The Pell Grant had a lower disbursement priority and was used to make this cash payment.

REGULAR REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

Name: Brown, Eva
SSN: 599-00-1919
Payment Period Start Date: 7/06/x2
Withdrawal Date: 7/23/x2
Drop-Out Date: Same

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (e.g. to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees			
Room			
Board			
		Administrative Fee	
		Total Retained	

STEP 2 Aid Awarded for Payment Period

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
A. Total Title IV Funds ________
B. School and Other Aid ________
C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
Cash Payment by Student ________
School and Other Aid ________
Total Paid Charges ________

STEP 4 Refund by School

Total Paid Charges (from Step 3) ________
Total Retained (from Step 1) - ________
Refund ________

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

Refund (from Step 4) X **Title IV Funds Awarded** (from Step 2A) / **Total Aid Awarded** (from Step 2C) = **Amount to Title IV Programs**

☐ X ☐ / ☐ = ☐

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________

Name: ____________________

SSN: ____________________

Payment Period Start Date: ____________

Withdrawal Date: ____________

Drop-Out Date: ____________

STEP 1 *Pro Rata* Amount Retained by School (based on §682.607)

School Charges	x	**% of Program Completed**	=	**Amount Retained**
__________	x	__________	=	__________

Administrative Fee + __________

Total Retained __________

STEP 2 Aid Awarded for Payment Period

Stafford __________

SLS __________

PLUS __________

Perkins __________

ICL __________

SEOG __________

Pell __________

SSIG __________

A. Total Title IV Funds __________

B. School and Other Aid __________

C. Total Aid (add A and B) __________

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford __________

SLS __________

PLUS __________

Perkins __________

ICL __________

SEOG __________

Pell __________

SSIG __________

Cash Payment by Student __________

School and Other Aid __________

Total Paid Charges __________

STEP 4 Refund by School

Total Paid Charges (from Step 3) __________

Total Retained (from Step 1) - __________

Refund __________

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$$

REPAYMENT WORKSHEET

Name: ____________________

SSN: ____________________

Payment Period Start Date: ____________________

Withdrawal Date: ____________________

Drop-Out Date: ____________________

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	______	______	______
Books/Supplies	______	______	______
Transportation	______	______	______
Dependent Care	______	______	______
Personal	______	______	______
		Total Incurred	______

STEP 2 Aid Awarded for Payment Period

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

A. Total Title IV Funds ______

B. School and Other Aid ______

C. Total Aid (add A and B) ______

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

School and Other Aid ______

Total Cash Disbursed ______

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) ______

Total Incurred (from Step 1) - ______

Repayment ______

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

Repayment (from Step 4) X **Title IV Funds Awarded** (from Step 2A) / **Total Aid Awarded** (from Step 2C) = **Amount to Title IV Programs**

$$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund ______

Stafford ______

SLS ______

PLUS ______

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

Repayment ______

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

When a student:

- withdraws
- drops out
- is expelled

Refunds & Repayments must be considered

OH Four-2

REFUNDS versus REPAYMENTS

REFUND	Payments for institutional charges that must be returned to the student or to the financial aid programs after the student ceases to be enrolled
REPAYMENT/ OVERPAYMENT	Cash disbursed to the student that must be returned to the school after the student ceases to be enrolled

INSTITUTIONAL CHARGES

- tuition
- fees
- room and board contracted with the institution

NONINSTITUTIONAL CHARGES

- books
- supplies
- transportation
- dependent care expenses
- room and board in noninstitutional locations

SAMPLE COLLEGE:

MAIN CATEGORIES OF AID

I. TUITION AND FEE REMISSIONS/WAIVERS

II. GIFT AID WITH SPECIFIC RESTRICTIONS (GRANTS, SCHOLARSHIPS)

III. LOANS (TO BE REPAID BY STUDENT)

IV. ALL OTHER

OH Four-6

SAMPLE COLLEGE'S CREDIT CODE PRIORITY TABLE

Credit Code	*Priority*	*Type of Credit*
I		**Institutional Tuition and Fee Remission**
	1	- Tuition and Fee waivers
	2	- Staff
II		**Institutional Grants Stipulating Application of Fees (Gift Aid)**
	3	- State Grants/Scholarships
	4	- Federal Grants
	5	- Pell Grants
	6	- SEOG
	7	- Athletic Grant in Aid
III		**Loans To Be Repaid by Student**
	8	- Perkins Loan
	9	- Stafford, PLUS, SLS loans
IV		**All Other**
	10	- Tuition deposits
	11	- Housing deposits
	12	- Foreign study deposits

ACCOUNT CARD: Rachel Roberts

DATE	DESCRIPTION	DEBITS	CREDITS	BALANCE
09/03/X2	Tuition - 12 Credit Hours	1,500		1,500
09/03/X2	Merit Scholarship		500	1,000
09/05/X2	Pell Grant		1,000	0
09/10/X2	Stafford Loan - Cash		1,150	- 1,150
09/10/X2	Perkins Loan - Cash		2,000	- 3,150
09/10/X2	Pell Grant - Cash		100	- 3,250
09/10/X2	Check #H-451	3,250		0

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PRELIMINARY STEP #1: (BEFORE CALCULATING REFUND)

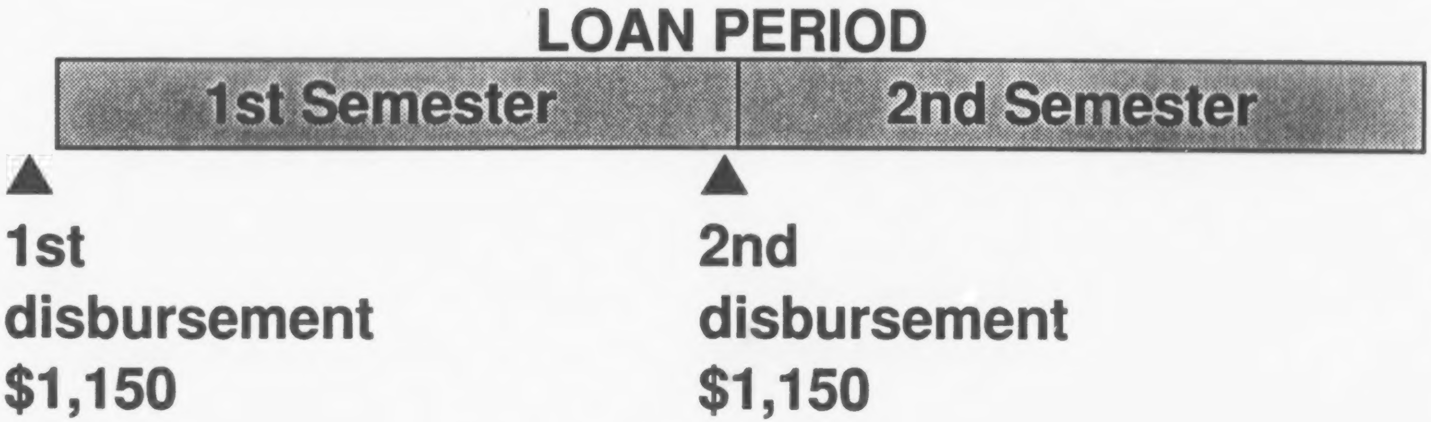
"No-Shows": All Title IV aid must be restored to program accounts and/or lenders

PRELIMINARY STEP #2: (BEFORE CALCULATING REFUND)

- **Attribute to payment periods:**
  - **all Stafford/SLS/PLUS disbursements**
  - **all other aid disbursements**
  - **all student payments**
- **Return to lender(s) all Stafford/SLS/PLUS funds attributed to payment periods *not* attended by student (*except* amounts paid in cash)**

EXAMPLE A: Attributing Guaranteed Loan to Payment Periods

The school has requested that the lender disburse a $2,500 Stafford Loan in 2 installments, two weeks prior to the start of each semester.



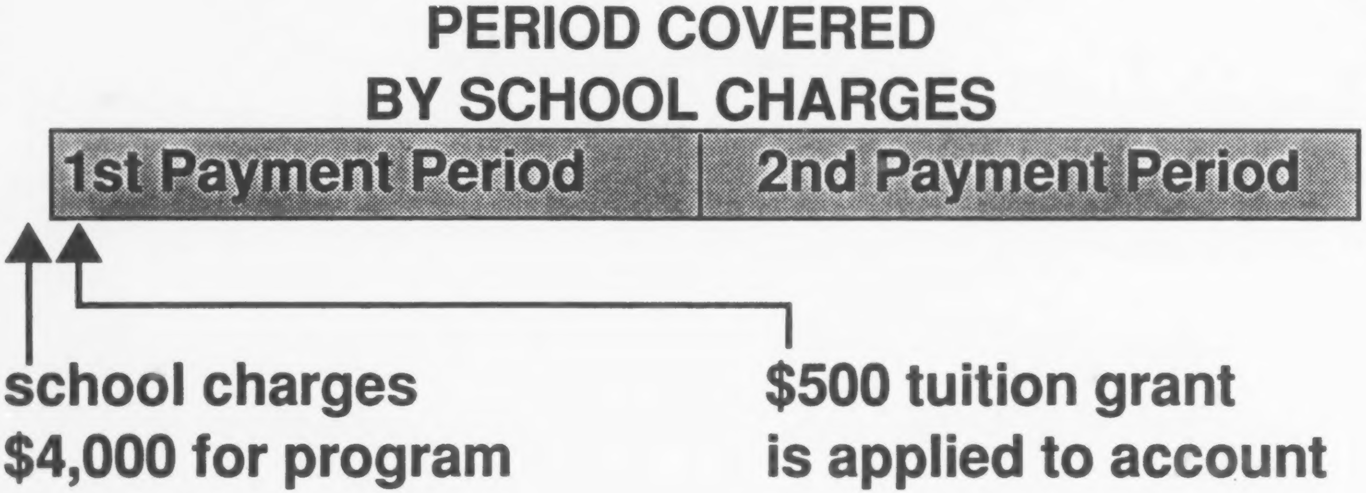
LOAN PERIOD

1st Semester | 2nd Semester

▲ **1st disbursement $1,150**

▲ **2nd disbursement $1,150**

EXAMPLE B: Attributing Cash or Other Payments to Payment Periods



PERIOD COVERED
BY SCHOOL CHARGES

1st Payment Period

2nd Payment Period

school charges
$4,000 for program

$500 tuition grant
is applied to account

INSTITUTION'S REFUND POLICY

- Used for "unearned" school charges
- Must be fair and equitable

REFUND

Monies used to pay **institutional charges** which must be returned when the student withdraws, drops out, or is expelled

SAMPLE COLLEGE REFUND POLICY

(Credit-Hour Institution)

Tuition & Fees are refunded as follows:

Prior to end of registration:	100%
Within week 1:	80%
Within week 2:	60%
Within week 3:	45%
Within week 4:	25%
After week 4:	0%

SAMPLE COLLEGE REFUND POLICY

(continued)

- Institutionally contracted Room & Board charges refunded on *pro rata* basis of 16 weeks per term
- Living expenses refunded on *pro rata* basis according to weeks of enrollment completed in 16 week term
- Half of academic year allowance for books, supplies, and miscellaneous expenses considered to be used at start of each term

CLOCK-HOUR TECH REFUND POLICY

(Clock-Hour Institution)

- Tuition & Fees are refunded based on percentage of clock hours completed:

Percentage of Clock-Hours Completed:	*Percentage Refunded by Institution:*
0	100%
0.1 - 4.9%	80%
5 - 9.9%	70%
10 - 14.9%	60%
15 - 24.9%	55%
25 - 49.9%	30%
50% and over	0%

CLOCK-HOUR TECH REFUND POLICY

(continued)

- Living expenses refunded on *pro rata* basis according to length of time student attends school
  - -- portion of a week counts as full week for pro-ration purposes
- Books, supplies, and miscellaneous expenses allowance for payment period is considered fully expended at the start of the payment period

REGULAR REFUND WORKSHEET

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Name: Roberts, Rachel
SSN: 535-00-9999
Payment Period Start Date: 9/02/X2
Withdrawal Date: 9/26/X2
Drop-Out Date: Same

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (*e.g.* to lender)
Stafford	0	-	1,150	=	none
Pell	1,000	-	1,000	=	none
Merit Sch	500	-	500	=	none
		-		=	
		-		=	
		-		=	

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees	1,500	×55%	825
Room			
Board			
Administrative Fee			–
Total Retained			825

STEP 2 Aid Awarded for Payment Period

Stafford	1,250
SLS	
PLUS	
Perkins	2,000
ICL	
SEOG	
Pell	1,100
SSIG	
A. Total Title IV Funds	4,350
B. School and Other Aid	500
C. Total Aid (add A and B)	4,850

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	
SLS	
PLUS	
Perkins	
ICL	
SEOG	
Pell	1,000
SSIG	
Cash Payment by Student	
School and Other Aid	500
Total Paid Charges	1,500

STEP 4 Refund by School

Total Paid Charges (from Step 3)	1,500
Total Retained (from Step 1)	- 825
Refund	675

EXERCISE 1--INSTITUTIONAL REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

PRELIMINARY STEP 1	**"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2	**Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
Stafford	1,225	-	1,225	=	none
SEOG	2,000	-	2,000	=	none
Pell	275	-	275	=	none
School Grant	500	-	250	=	250
		-		=	
		-		=	

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EXERCISE 1--INSTITUTIONAL REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

STEP 1 Amount Retained by School (based on refund policy)

	Charges		**Amount Retained**
Tuition/Fees	4,000	× 40%	1,600
Room			
Board			
	Administrative Fee		—
	Total Retained		1,600

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EXERCISE 1--INSTITUTIONAL REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	1,225
SLS	
PLUS	
Perkins	
ICL	
SEOG	2,000
Pell	275
SSIG	
Cash Payment by Student	
School and Other Aid	250
Total Paid Charges	3,750

EXERCISE 1--INSTITUTIONAL REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

STEP 4 Refund by School

Total Paid Charges (from Step 3) 3,750

Total Retained (from Step 1) - 1,600

Refund 2,150

PRO RATA REFUNDS

- If cohort default rate for GSL programs > 30%

- If student received/benefited from GSL award and last day of attendance was before earlier of:

  -- midpoint of program, or
  -- first 6 months of program

- Withdrawal date is last recorded day of attendance

OH Four-24

PRO RATA REFUND CALCULATIONS

Number of weeks OR Clock Hours completed	÷	Total weeks OR Clock hours in the period of enrollment for which student has been charged	=	Percent Completed
3 weeks	÷	16 weeks	=	20% (rounded up)
% completed	X	Institutional charges for enrollment period	=	Amount retained by school
20%	X	$1,500	=	$300
Amount retained	+	Administrative fee	=	Total retained
$300	+	$75	=	$375

OH Four-25

PRO RATA REFUND
or
"FAIR AND EQUITABLE" REFUND?

- Determine which refund is the larger
- Apply that refund calculation
- *Pro rata* refund ($1,125) would be used in this case, since it is larger than the school's "fair and equitable" regular policy refund of $675

OH Four-26

EXERCISE 2--*PRO RATA* REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

STEP 1 *Pro Rata* Amount Retained by School (based on §682.607)

90/900 = 10%

School Charges	x	% of Program Completed	=	Amount Retained
4,000	x	10%	=	400
		Administrative Fee	+	100
		Total Retained		500

EXERCISE 2--*PRO RATA* REFUND
CASE 2--EVA BROWN, CLOCK-HOUR TECH

STEP 4 Refund by School

Total Paid Charges (from Step 3) 3,750

Total Retained (from Step 1) - 500

Refund 3,250

DISTRIBUTION FORMULA FOR DETERMINING TITLE IV PORTION OF REFUND

Title IV portion of refund =

$$\begin{array}{l}\text{amount of}\\ \text{institutional}\\ \text{refund}\end{array} \times \frac{\begin{array}{l}\text{total amount of Title IV aid (minus}\\ \text{CWS earnings and Byrd/Douglas)}\\ \text{awarded for payment period}\end{array}}{\begin{array}{l}\text{total amount of all aid (minus}\\ \text{all work program earnings)}\\ \text{awarded for payment period}\end{array}}$$

EXAMPLE C--DISTRIBUTION FORMULA

CASE 1: RACHEL ROBERTS, SAMPLE COLLEGE

Regular Refund Worksheet

Step 2: Aid Awarded for the Period

Total Title IV aid received by Rachel:	$4,350
Total aid received by Rachel:	$4,850

Step 5: Distribution Formula--Amount to Title IV

$$\text{Refund} \quad \times \quad \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} \quad = \quad \text{Amount to Title IV Programs}$$

Institutional (Regular) Refund Policy:

$$\$675 \quad \times \quad \frac{\$4{,}350}{\$4{,}850} \quad = \quad \$605 \text{ Refund to Title IV}$$

Pro Rata Refund Policy:

$$\$1{,}125 \quad \times \quad \frac{\$4{,}350}{\$4{,}850} \quad = \quad \$1{,}009 \text{ Refund to Title IV}$$

EXERCISE 3-- DISTRIBUTION FORMULA

CASE 2: EVA BROWN, CLOCK HOUR TECH

STEP 2 **Aid Awarded for Payment Period**

Stafford 1,312.50
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG 2,000
Pell 1,100
SSIG ______
A. Total Title IV Funds 4,412.50
B. School and Other Aid 250
C. Total Aid (add A and B) 4,662.50

REGULAR INSTITUTIONAL REFUND POLICY

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

Refund (from Step 4) *X* **Title IV Funds Awarded** (from Step 2A) / **Total Aid Awarded** (from Step 2C) = **Amount to Title IV Programs**

$$\boxed{2,150} \times \frac{\boxed{4,412.50}}{\boxed{4,662.50}} = \boxed{2,035}$$

EXERCISE 3--DISTRIBUTION FORMULA

CASE 2: EVA BROWN, CLOCK HOUR TECH (contd)

PRO RATA
REFUND
POLICY

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

$$\text{Refund (from Step 4)} \; X \; \frac{\textbf{Title IV Funds Awarded (from Step 2A)}}{\textbf{Total Aid Awarded (from Step 2C)}} = \textbf{Amount to Title IV Programs}$$

$$\boxed{3{,}250} \; X \; \frac{\boxed{4{,}412.50}}{\boxed{4{,}662.50}} = \boxed{3{,}076}$$

	Total Refund	-	Title IV Refund	=	Refund to Student/ Institutional Programs
REGULAR POLICY:	$2,150	-	$2,035	=	$115
PRO RATA POLICY:	$3,250	-	$3,076	=	$174

ALLOCATION TO TITLE IV ACCOUNTS

- Written policy required
- Must be consistently applied
- No refunds to CWS
- Refunds must not exceed amount received

REFUND DISTRIBUTION POLICIES

- Equal allocation
- Proportional allocation
- Priority allocation

EXERCISE 4: PRIORITY ALLOCATION

- Title IV portion of refund cannot exceed $2,035
- Amount returned to Pell cannot exceed $1,100
- Stafford refund cannot exceed $1,312.50
  (schools may elect to return an amount equal to the full guarantee--including insurance premium and origination fee--because student is considered to have received benefit of full loan amount)
- SEOG refund cannot exceed $2,000
- Student/institutional program refund cannot exceed $250

EXERCISE 4: PRIORITY ALLOCATION (contd)

• 1st refund to Stafford	$1,225 (refunded in full)
• 2nd to SEOG	$ 810 (partial refund)
• no amount returned to Pell Grant	

EXERCISE 4: PROPORTIONAL ALLOCATION POLICY

Total Title IV Portion of Refund Due: $2,035

Stafford	$1,225 / $3,500	=	35%	x	$2,035	=	$ 712
Pell Grant	$275 / $3,500	=	8%	x	$2,035	=	$ 163
SEOG	$2,000 / $3,500	=	57%	x	$2,035	=	$1,160
	Total Refunded	=	100%			=	$2,035

EXERCISE 4: EQUAL ALLOCATION POLICY

Total Title IV Portion of Refund Due: $2,035

Amount to each program = $2,035 / 3 = $678.33

Stafford Loan	$ 678.33
Pell Grant	$ 678.33
SEOG	$ 678.34
Total Refunded =	$ 2,035.00

RETURNING TITLE IV PORTIONS OF REFUNDS: PELL GRANT AND CAMPUS-BASED PROGRAMS

- Within 30 days of:
    - -- official date of withdrawal, or
    - -- date school determines as student's unofficial withdrawal date

RETURNING TITLE IV FUNDS: GUARANTEED STUDENT LOAN PROGRAMS

- Within 60 days of the earliest of:
  - -- withdrawal notification or specified date of withdrawal
  - -- date school determines as student's unofficial withdrawal date
  - -- last day of term in which student withdrew
  - -- end of enrollment period for the loan

REPAYMENT/OVERPAYMENT

Portion of a cash disbursement which a student must return to the school when he or she withdraws, drops out, or is expelled

OH Four-41

CALCULATING NONINSTITUTIONAL COSTS

Books--semester allowance entirely incurred in 1st week	$300
Room and board	$200 per week
Transportation	$100 per week
Personal and Miscellaneous expenses	$100 per week

NONINSTITUTIONAL COSTS FOR RACHEL'S ACTUAL ENROLLMENT PERIOD

Books/supplies considered incurred in first week		$ 300
Room and board	$200/week x 3 weeks	$ 600
Transportation	$100/week x 3 weeks	$ 300
Miscellaneous/personal expenses	$100/week x 3 weeks	$ 300
Total noninstitutional costs		**$1,500**

REPAYMENT DUE FROM RACHEL

Funds Disbursed:	Pell Grant	$ 100
	Perkins Loan	$2,000
(Stafford Loan ***excluded***)		
	• Total	$2,100
minus Noninstitutional Costs		$1,500
= ***Repayment Due***		$ 600

REPAYMENT TO TITLE IV

$$\frac{\text{Title IV Aid Awarded (minus CWS earnings, Stafford/SLS/PLUS)}}{\text{Total Aid Awarded (minus all work earnings, Stafford/SLS/PLUS)}}$$

$$= \frac{\text{Pell} + \text{Perkins}}{\text{Pell} + \text{Perkins} + \text{Scholarship}}$$

$$= \frac{\$1{,}100 + \$2{,}000}{\$1{,}100 + \$2{,}000 + \$500} = \frac{\$3{,}100}{\$3{,}600} = 86\%$$

86% x $600 = $516 repayment to
Title IV programs

ALLOCATING REPAYMENT TO TITLE IV PROGRAMS

Prioritized:

Perkins	$0	**or**	Perkins	$516
Pell	$516		Pell	$0

Equal:

Perkins	$258	Pell	$258

Proportional:

$$\text{Perkins} = \frac{\$2{,}000}{\$3{,}100} = 65\% \times \$516 = \$335$$

$$\text{Pell} = \frac{\$1{,}100}{\$3{,}100} = 35\% \times \$516 = \$181$$

SUMMARY OF THIS SESSION

- General principles and important terms in disbursement, refund, and repayment
- Required school policies and procedures, including regular and *pro rata* refund policies
- How student financial aid is applied to student accounts
- Disbursement and delivery policies, procedures, and dates
- What happens when a Title IV aid recipient withdraws, drops out, or is expelled during the payment period
- How the institution determines whether it must return part or all of the Title IV aid which has been applied to a student's account, and the portion of the refund to be returned to Title IV programs
- How any financial aid that remains after the student's account is settled may be disbursed to the student as a cash payment
- What happens when a Title IV aid recipient who received such a cash disbursement withdraws, drops out, or is expelled during the payment period
- How the institution determines whether the student owes a repayment of Title IV aid which has been disbursed as cash, and the amount of this repayment
- How the Title IV portions of refunds and repayments are allocated among Title IV programs

SESSION
5

OVERALL MANAGEMENT OF THE CAMPUS-BASED PROGRAMS

(OPTIONAL SESSION FOR NON-PARTICIPANTS IN THESE PROGRAMS)

OVERVIEW

(2 HOURS)

A. Orientation to Session 5

B. Funding Process and Delivery System
  1. Participating in the Campus-Based Programs
  2. Funding Process
  3. Delivery System

C. Cash Management in the Campus-Based Programs
  1. Overview and Uses of Funds
  2. Group Activity--Matching Requirements
  3. Administrative Cost Allowance
  4. Group Activity--Calculating Campus-Based ACA
  5. Transfer
  6. Carry Forward/Carry Back

D. Estimating Funds Available for Awards
  1. Formulas for the 1991-92 Award Year
  2. Group Activity--Funds Available for Awards
  3. Group Activity--Transfer and Carry Forward/Carry Back

MAIN OBJECTIVES

- Participants will calculate the appropriate nonfederal matching contributions for a variety of typical situations in the campus-based programs
- Participants will calculate the appropriate administrative cost allowance for a variety of typical situations in the campus-based programs
- Participants will calculate the funds available for awards for a variety of typical single-year situations in the campus-based programs, based on straightforward use of the federal allocations
- Participants will calculate the funds available for awards for more complex situations in the campus-based programs, including transfer, carry forward, and carry back
- Participants will calculate the nonfederal matching contributions, administrative cost allowances, and funds available for awards for more complex situations in the campus-based programs, including transfer and carry forward/carry back

A. ORIENTATION TO SESSION 5

Important: If your institution does **not** participate in the campus-based programs--Supplemental Educational Opportunity Grant (SEOG), College Work-Study (CWS), or Perkins Loan/NDSL--this session is **optional** for you.

This session will help answer questions like:

- How does an institution apply for funds for the campus-based programs?
- What kind of allowance is available for administrative costs?
- What kinds of matching contributions are required to match the federal share of awards to students?
- How much of the federal allocation is actually available for awards to students?
- Does the institution have any flexibility if it finds its allocation for one program is too large and for another too small?

B. FUNDING PROCESS AND DELIVERY SYSTEM

For further information, see *The Blue Book* pages 10 and 12-24.

1. Participating in the Campus-Based Programs

There are 3 main campus-based Title IV student financial aid programs:

- the Supplemental Educational Opportunity Grant (SEOG) program
- the College Work-Study (CWS) program
- the Perkins Loan program--formerly the National Direct Student Loan (NDSL) program

In the campus-based programs:

- ED allocates funds directly to the participating institutions
- institutions make awards to students and administer the programs

To obtain federal funds for campus-based programs (write your answers on the blank lines):

- You apply ______________
- You use the ____________ form.
- This stands for ________________________________

  ____
- Two terms used to refer to the **amount** of funds for each program are ____________________________ and ________________________.

An institution is provided with a maximum amount of federal dollars for each program it participates in, but all institutions are not authorized for all programs.

2. The Funding Process

For further information, see *The Blue Book* pages 16-18.

The funding process involves Application, Review/Edit, and Notification stages.

Step 1, the application, is in September:

- FISAP stands for Fiscal Operations Report and Application to Participate
- the FISAP is both a *report* (on the previous award year's activities, including fiscal operations) and an *application* (to participate in the Title IV campus-based programs in the upcoming year)
  - -- for example, the 1991 FISAP is a report on award year 1990-91 and an application for award year 1992-93
- As part of the Application to Participate in the Campus-Based programs, the institution requests federal funds

For an introductory discussion of the FISAP, see *The Blue Book* pages 16-17.

For further information on the FISAP *report*, see *The Blue Book* pages 186-212.

For further information on the FISAP *application*, see *The Blue Book* pages 210 and 213-219.

Session 8 will cover the FISAP in more detail.

- the school must provide detailed information on its enrollment and eligible aid applicants (see Sections C and E of the FISAP on page 217 of *The Blue Book*)
- beginning with the 1991 FISAP, the FISAP must be filed electronically--the paper form can no longer be submitted to ED
  - ED mails the necessary computer programs and data to institutions on diskettes
  - institutions must file the FISAP either by mailing diskettes or magnetic computer tapes or via modem
- there are internal edits built into the electronic FISAP to help institutions detect errors and inconsistencies and correct their data at the time of input

For further information, see *The Blue Book* pages 214-219.

In Step 2, also in September, the institution must sign and mail three forms:

- the executed signature page of the paper FISAP
- the Debarment Certification form
- the Drug-Free Workplace Certification form

These paper items must be mailed, even if the rest of the FISAP is being transmitted electronically via modem.

For further information, see *The Blue Book* page 219.

Step 3, the edit and review process, is in November/December:

- ED edit-checks the FISAP information
- the edited FISAP is returned to the school by November 15 (ED includes edit messages on any discrepancies it has found)
- the school makes any necessary changes, such as fixing errors and changing data, and returns the edited FISAP to ED by December 15
- the FISAP is processed by ED
- ED determines funding levels, based on:
  - the participating institution's need for each program (there are statutory formulas for the SEOG, CWS, and Perkins Loan programs)
  - the amount appropriated by Congress each year for each program

Step 4, tentative authorization, occurs in January/February:

- the institution is notified of its funding levels by February 1

For further information, see *The Blue Book* pages 17-18.

Step 5, final authorization, occurs in March:

- ED sends the institution its official Notice of Funding in late March

Step 6, draw down, begins July 1:

- the institution may actually start drawing funds at the start of the award year, on July 1
- funds are drawn down from ED's Payment Management System, ED/PMS, which will be discussed in Session 7.

3. The Delivery System

For further information, see *The Blue Book* page 18.

In the campus-based programs, delivering aid to students is the institution's responsibility.

To apply for campus-based aid, the student usually submits one of the following four types of forms to have the family contribution figure (FC) calculated:

- the Application for Federal Student Aid (AFSA), ED's own form, which determines Pell eligibility as well as the FC
- a Multiple Data Entry (MDE) application form from one of the Multiple Data Entry processors--this also determines Pell eligibility as well as the FC
- a Need Analysis Service (NAS) application
- the institution's own application form, submitted directly to the institution for "hand calculation" of the FC

The need analysis procedure determines the student's family contribution. The FC is an important factor in determining a student's eligibility for Title IV campus-based aid:

- the student must meet general and program-specific eligibility criteria

- financial aid administrators have the authority to adjust the FC, based on professional judgment, to address an individual student's special circumstances (this may result in the student qualifying for *more* or *less* campus-based aid)
- verification of student information may be required

The calculation of the campus-based award is performed by the institution based on these factors:

- student need based on the student's family contribution (FC) figure and on the institution's cost of attendance
- the student's other resources
- the available funds at the institution
- the institution's packaging philosophy

Funds are disbursed directly to students by check or credit to the student's account:

- SEOG and Perkins Loan disbursements must be divided among the payment periods--there must be at least 2 installments during the year
- CWS wages must be paid at least once a month, and the federal share must be paid by check or a similar instrument that must be endorsed by the student

C. CASH MANAGEMENT IN THE CAMPUS-BASED PROGRAMS

There are several important aspects of cash management for campus-based programs:

1. allowable uses of funds
2. matching federal funds with a nonfederal share
3. administrative cost allowances
4. transfer of funds between programs
5. carry forward/carry back

1. Overview and Uses of Funds

The permissible uses of campus-based allocations are different for each program.

SEOG funds may be used in only 3 ways:

- student awards
- an administrative cost allowance
- a transfer of up to 10% of the SEOG ***annual allocation*** for this award year to the CWS program
    - -- funds transferred to CWS but not spent must be returned to the SEOG program by the end of the award year

For further information, see *The Blue Book* pages 10 and 12-13.

Important: For any campus-based program, the ***annual allocation*** is the amount in the original authorization letter **plus** any supplemental authorization received after that, but does **not** include any additional funds from transfer and carry forward/carry back.

The **CWS** allocation includes four different programs:

- the regular CWS program for on- and off-campus jobs for currently enrolled students
- a Community Service Learning (CSL) program, which is intended to develop, improve, and expand community services for low-income individuals and families
- a regular Job Location and Development (JLD) program, which is intended to expand off-campus job opportunities for currently enrolled students
- a Community Service Job Location and Development (CS/JLD) program, intended to locate and develop community service jobs for students in areas (such as health care) that relate to the needs of low-income individuals

For further information, see *The Blue Book* pages 13-15.

For this and other reasons, the possible uses of CWS funds are quite varied. CWS funds may be used for:

- the federal share of wages paid to students in the regular CWS program

- the federal share of wages paid to CWS students employed in a CSL program, up to a maximum of 10% of the CWS annual allocation for the award year
- an administrative cost allowance for the regular CWS and CSL programs
- regular JLD program expenses (up to 10% of the CWS annual allocation or $30,000, whichever is less)
- CS/JLD program expenses (up to 10% of the CWS annual allocation or $20,000, whichever is less)
- up to 10% of the CWS annual allocation for the award year may be transferred to the SEOG program
  - -- funds transferred to SEOG but not spent must be returned to CWS by the end of the award year
- "carry back" of up to 10% of this award year's CWS annual allocation to the prior year
- "carry forward" of up to 10% of this award year's CWS annual allocation to the following award year

Perkins Loan funds may be used for:

- loans to students
- an administrative cost allowance
- allowable collection costs and litigation expenses
- repayment of short-term, interest-free loans made by the school to its Perkins Loan Fund (overmatches)
- capital distributions by the school (liquidation of the Fund)

For further information, see *The Blue Book* pages 15-16.

In one type of capital distribution, the school may be returning excess cash to ED. The institution needs no special permission to do this.

However, in other types of capital distribution, the school is removing part or all of its capital contributions from the Fund. The Secretary of Education's permission is required for this process, and the equivalent Federal Capital Contributions must be returned to ED.

MATCHING REQUIREMENTS QUICK-REFERENCE SHEET

SEOG Program

1990-91 Federal Share ____
Nonfederal Share ____

1991-92... Federal Share ____
Nonfederal Share ____

Perkins Loan Program

Federal Capital Contribution (FCC) ____

Institutional Capital Contribution (ICC) ____

Regular CWS Program

For jobs on campus:

1991-92... Federal Share ____
Employer Share ____

For jobs off campus in the public or private nonprofit sectors:

1991-92... Federal Share ____
Employer Share ____

For jobs off campus in the private for-profit sector:

1991-92... Federal Share ____
Employer Share ____

CSL Program

For jobs in a CSL program:

Federal Share ____
Employer Share ____

Regular JLD Program

For locating jobs off campus in any employment sector:

Federal Share ____
Employer Share ____

CS/JLD Program

For locating jobs on campus or off campus in the public or private nonprofit sectors:

Federal Share ____
Employer Share ____

2. Group Activity–Matching Requirements

All the campus-based programs have matching requirements. In the CWS program, for example, matching funds may be required from the institution or from off-campus employers. This group activity will familiarize you with the nonfederal share and federal share percentages.

Directions: Use *The Blue Book* Chapter 1 to fill out the Matching Requirements Quick-Reference Sheet on the previous page. Work with your group to fill the blanks on the worksheet. You have 5 minutes.

3. Administrative Cost Allowance

For further information, see *The Blue Book* pages 32-33.

The administrative cost allowance (ACA) is intended to help offset costs incurred in administering the campus-based programs, such as salaries, furniture, travel, supplies, audits, equipment, computer costs, and the provision of student consumer information. The calculation of the campus-based ACA is based on the total expenditures of all 3 programs. "Expenditures" means:

- SEOG funds disbursed to students
- Perkins loan funds advanced to students
- CWS wages paid to students, but not including CWS wages for the CSL program

All of these "expenditures" include both the federal and institutional shares.

The ACA calculation is as follows:

- 5% of campus-based expenditures up to $2,750,000
- 4% of campus-based expenditures in excess of $2,750,000, up to $5,500,000
- 3% of campus-based expenditures in excess of $5,500,000

There is a separate ACA for the CSL program:

- up to 10% of CWS wages paid under CSL program

This ACA for the CSL program must be drawn from current year CWS funds.

The institution can deduct the ACA from one or more of these sources, provided funds were expended in the program(s) from which ACA is drawn:

- the annual SEOG authorization
- the annual CWS authorization
- the Perkins Loan Fund

Schools can draw down amounts for student awards and ACA at the same time, or wait until close to the end of the award year to decide which programs to take their ACA from. ACA payments are reported on the FISAP.

In summary, remember these important points about ACA:

- ACA may be taken from each program separately or as a combined amount from a single program
- ACA can be taken from a particular program only if funds have been expended in that program for that award year
- if an institution wants to take ACA from the Perkins Loan Fund, the ACA must be drawn out during the award year in which it is earned

4. Group Activity--Calculating Campus-Based ACA

Directions: Use the information below to calculate how much ACA Sample College should take. Work with your group to determine the total ACA. You have 10 minutes.

Sample College: Calculating Campus-Based ACA

1. SEOG Authorization	$22,000
2. SEOG Awards Disbursed	$20,000
3. Perkins Authorization	$25,000
4. Perkins Loans Disbursed	$29,000
5. CWS Authorization	$33,875
6. Regular CWS--Federal Share Wages Paid	$30,000
7. Regular CWS--Employer Share Wages Paid	$ 7,500
8. CSL--Federal Share Wages Paid	$ 1,800
9. CSL--Employer Share Wages Paid	$ 200

What is the **total ACA** that Sample College can take?

5. Transfer

Example: Suppose you get your SEOG authorization for 1991-92, but there is an increased need for SEOG awards. Is it possible to obtain funds from another authorization ?

Answer: ________

Transfer rules and procedures:

- may transfer up to 10% of SEOG annual allocation to CWS
- may transfer up to 10% of CWS annual allocation to SEOG
- funds can be transferred only within an award year
- the 10% figure is based on the annual allocation* for the program
- transferred funds must be expended in the current award year or returned to the original program by the end of the award year

6. Carry Forward/Carry Back

Only the CWS program allows for carry forward and carry back:

- up to 10% of the CWS annual allocation can be carried forward to the next award year
- up to 10% of the CWS annual allocation can be carried back to the previous award year

Carry forward/carry back allows institutions to deal flexibly with changes in their students' need for CWS wages.

Example: Suppose your CWS authorization for 1990-91 was $300,000 and 10% was carried forward, so that $30,000 was carried forward.

- Your CWS authorization for 1991-92 is $400,000. The $30,000 carried forward from the last award year makes a sum of $430,000 available in federal CWS funds.
- You want to transfer as much as you can to the 91-92 SEOG program–can you take 10% of $430,000?

Answer: ________

NOTES AND REFERENCES

For further information, see *The Blue Book* pages 19 and 23-24.

*This is true whether you use all of the allocation or deobligate some of it--you can still take 10% of the full annual allocation. This is true for transfers to and from SEOG and CWS carry forward/carry back.

For further information, see *The Blue Book* page 19.

NOTES AND REFERENCES

D. ESTIMATING FUNDS AVAILABLE FOR AWARDS

For further information, see *The Blue Book* pages 20-24.

1. Formulas for the 1991-92 Award Year

To provide a clear and simple illustration of the principles, in this section we will discuss only 1991-92 award year cases in which:

- funds are used only in the programs for which they were originally allocated (no transfers or carry forward/carry back)
- ACA is taken proportionally from the programs in which it is earned
- CWS earnings are only from on-campus jobs in the regular CWS program (not CSL or JLD)

SEOG: Hometown University's final adjusted SEOG authorization for 1991-92 is $194,400.

- Is this the amount that is available for SEOG awards? *Answer:* ________
- Reasons: ____

____

Here is the 1991-92 SEOG calculation:

- Let total SEOG available for awards = S

  S is unknown, to be calculated.
- Federal authorization pays up to 85% of this: .85S
- Suppose ACA = 5%. Then ACA = .05S.
- Authorization pays for 85% of awards and, optionally, ACA.

  So, Authorization = .85S + .05S = .9S = $194,400
- $S = \frac{\$194{,}400}{.9} = \$216{,}000$ = SEOG funds available for awards

  .05S = $10,800 = ACA for SEOG

  .85S = Federal share of SEOG grants = $183,600

  .15S = Nonfederal share* of SEOG grants = $32,400

*The nonfederal SEOG share may be paid in cash and/or noncash forms.

In summary:

85% Federal Share of SEOG Grants		15% Nonfed. Share of SEOG Grants		Available for SEOG Awards
$183,600	+	$32,400	=	$216,000

CWS: Hometown University's 1991-92 CWS authorization is $123,000.

- Is this the amount available for CWS awards?

  Answer: ________
- Reasons: ________________________________

  ____

Here is the 1991-92 CWS calculation:

- Let Gross CWS Wages Available = C

  C is unknown, to be calculated.
- Federal authorization pays up to 70% of this: .70C
- Suppose ACA = 5%. Then ACA = .05C.
- Authorization pays for 70% of awards and, optionally, ACA. So, Authorization = .70C + .05C = .75C.
- $C = \frac{\$123{,}000}{.75} = \$164{,}000 =$ gross CWS wages available

  .05C = $8,200 = CWS administrative cost allowance

  .70C = $114,800 = federal share of payroll

  .30C = $49,200 = employer share* of payroll (matching share)

In summary:

70% Federal Share of Payroll		30 % Employer Share of Payroll		Available CWS Gross Wages
$114,800	+	$49,200	=	$164,000

*The employer CWS share may be paid in cash and/or noncash forms.

Perkins Loan: Hometown University's 1991-92 Perkins authorization (Federal Capital Contribution, or FCC) is $325,000.

- Is this the amount available for Perkins awards?

  Answer: ________

There are 3 reasons this time:

1. The school must make an Institutional Capital Contribution (ICC) equal to at least 1/9 of the FCC, so additional Perkins Loan funds are available.
2. Projected repayments, cash on hand, and teacher/military cancellation reimbursements are also available for loans.
3. At its option, the institution may decide to take ACA out of the Perkins Loan Fund, as we are doing in the examples in this section--if so, less will be available for awards.

Here is the 1991-92 Perkins Loan calculation:

- ICC = 1/9 of FCC = $36,111 of $325,000

  Projected Collections = $410,000

  Cash on Hand = $19,400

  Reimbursements for cancellations = $0

  TOTAL Perkins Loan Funds $790,511
- Let Amount Available for Loans = L

  L is unknown, to be calculated.
- Suppose ACA = 5%. Then ACA = .05L
- Total Perkins Loan Fund pays for loans and, optionally, ACA. So, in this example:

  Total Perkins Loan Fund = L + .05L = 1.05L = $790,511
- $L = \frac{\$790{,}511}{1.05} = \$752{,}868 =$ Perkins Loan funds available for loans

  .05L = $37,643 = Perkins Loan ACA

In summary:

Total Perkins Loan funds		5% ACA		Available for Perkins Loans
$790,511	-	$37,643	=	$752,868

2. Group Activity–Funds Available for Awards

Directions: Calculate the **funds available for awards** and the **administrative cost allowances** for each of the campus-based programs, based on the 1991-92 authorizations shown below. Cross-check your answers for each program with the other members of your group. You have 10 minutes.

Straight College 1991-92 Financial Aid Budget
Campus-Based Authorizations

SEOG	$135,000
CWS (federal portion)	$84,000
Perkins Loan (FCC)	$180,000
Projected Collections	$100,000
Cash on hand	$15,000

The authorizations will be used without any transfers or carry forward/carry back. ACA will be taken from the program in which it is earned.

3. Group Activity–Transfer and Carry Forward/Carry Back

Directions: Calculate the **funds available for awards** and the **administrative cost allowances** in the campus-based programs, based on the authorizations shown below. Cross-check your answers for each program with the other members of your group. You have 10 minutes.

Transfer City College 1991-92 Aid Budget
Campus-Based Authorizations

SEOG	$120,000
CWS (federal portion)	$420,000
Perkins Loan (FCC)	$378,000
Projected Repayments	$230,000
Cash on hand	$19,500

10% of the 90-91 CWS authorization of $390,000 is being carried forward to 91-92.

10% of the 91-92 CWS authorization is being transferred to SEOG.

SUMMARY

This session covered the three major campus-based programs--SEOG, CWS, and Perkins Loan. In this session, we looked at:

- how to participate in the campus-based programs
- the funding process
- the delivery system
- allowable uses of campus-based authorizations
- nonfederal matching requirements (all campus-based programs now have matching requirements)
- administrative cost allowances
- cash management, including transfers and carry forward/carry back
- estimating funds available for campus-based awards to students, including transfers and carry forward/ carry back

For further information on the topics covered in this session, see *The Blue Book* Chapter 1.

===============END OF SESSION 5================

OBTAINING FEDERAL FUNDS
FOR
CAMPUS-BASED PROGRAMS

- Institutions apply ***annually.***
- The application is part of the ***FISAP.***
- ***FISAP*** stands for ***Fiscal Operations Report and Application to Participate.***
- FISAP application is now ***electronic.***
- Two terms used to refer to the amount of funds available to a school for each program are ***authorization*** and ***allocation.***

TIMELINE FOR THE FUNDING PROCESS FOR THE CAMPUS-BASED PROGRAMS

September	Step 1	School submits electronic FISAP
	Step 2	School mails signed cover letter
November/ December	Step 3	FISAP data edited by Department of Education, reviewed by school, and returned to ED
January/ February	Step 4	School notified of tentative authorization
March	Step 5	School notified of final authorization
July 1	Step 6	School may begin drawing down funds

OH Five-3

SAMPLE NOTIFICATION OF FUNDING LEVELS

• CWS--Federal Share	$18,139
• Perkins Loan--LOE	$0
• Perkins Loan--FCC	$0
• SEOG--Federal Share	$10,724

BASIS FOR CALCULATION
OF
CAMPUS-BASED AWARD

- ***Student's Financial Need***

  (COA - FC = Need)

- Student's other resources
- Institution's funds available
- Institution's packaging philosophy

USES OF SEOG FUNDS

- Grants to eligible students
- ACA (Administrative Cost Allowance)
- Up to 10% transfer of SEOG annual allocation to CWS

USES OF CWS FUNDS

- Federal share of wages for regular CWS and for CSL programs (CSL has 10% limit)
- ACA for regular CWS and CSL programs
- Regular JLD program expenses
  -- up to 10% or $30,000, whichever is less
- CS/JLD program expenses
  -- up to 10% or $20,000, whichever is less
- Transfer of up to 10% to SEOG
- "Carry back" of up to 10% to the prior award year and "carry forward" of up to 10% to the next award year

USES OF PERKINS LOAN FUNDS

- Loans to eligible students
- ACA
- Allowable collection costs and litigation expenses
- Repayment of short-term interest-free loans from institution to Perkins Loan Fund (overmatches)
- Capital distributions

OH Five-8

SEOG PROGRAM

1990-91	Federal Share	**90%**
	Nonfederal Share	**10%**
1991-92...	Federal Share	**85%**
	Nonfederal Share	**15%**

PERKINS LOAN PROGRAM

Federal Capital Contribution (FCC)	**90%**
Institutional Capital Contribution (ICC)	**10%**

REGULAR CWS PROGRAM

Employment on campus

or

Employment off campus
in public/private nonprofit sectors:

1991-92...	Federal Share	**70%**
	Employer Share	**30%**

REGULAR CWS PROGRAM

Employment off campus
in private for-profit sector:

1991-92...	Federal Share	**50%**
	Employer Share	**50%**

OH Five-12

CSL PROGRAM

Employment in a CSL program:

Federal Share	**90%**
Employer Share	**10%**

REGULAR JLD PROGRAM

Employment off campus
in any employment sector:

Federal Share	**80%**
Employer Share	**20%**

CS/JLD PROGRAM

Employment on/off campus
in public/private nonprofit sectors:

Federal Share	**80%**
Employer Share	**20%**

OH Five-15

SAMPLE COLLEGE--CAMPUS-BASED ACA

1. SEOG Authorization	$22,000
2. SEOG Awards Disbursed	$20,000
3. Perkins Authorization	$25,000
4. Perkins Loans Disbursed	$29,000
5. CWS Authorization	$33,875
6. Regular CWS--Federal Share Wages Paid	$30,000
7. Regular CWS--Employer Share Wages Paid	$ 7,500
8. CSL--Federal Share Wages Paid	$ 1,800
9. CSL--Employer Share Wages Paid	$ 200

SOLUTION--CAMPUS-BASED ACA

Step 1:	SEOG Expenditure	2	**$20,000**
	Perkins Expenditure	4	**$29,000**
	CWS Expenditure	6 + 7	**$37,500**
	Total Expenditures		**$86,500**

Step 2: **ACA** = .05 x $86,500 = **$4,325**

Step 3: **CSL ACA** = .10 x ($1,800 + $200) = **$200**

Total ACA = **$4,525**

EXAMPLE FOR 10% CWS-SEOG TRANSFERS

1. CWS 1990-91 authorization: $300,000
2. 10% or $30,000 carried forward
3. CWS 1991-92 authorization: $400,000
4. $30,000 carried forward makes $430,000
5. Can you transfer maximum of 10% of $430,000 to SEOG?

Answer: **No!**

OH Five-18

1991-92 HOMETOWN UNIVERSITY FINANCIAL AID BUDGET

Campus-Based Programs: Federal Authorizations*

SEOG	$194,400
CWS	$123,000
Perkins Loan	$325,000

*No transfers or carry forward/carry back; ACA from program earned.

Calculating SEOG Funds Available for Awards, ACA, and Federal and Nonfederal Shares, 1991-92

Step 1: Let S = funds available for awards

Step 2: If S unknown, calculate it

Step 3: Remember, federal funds pay up to 85% of awards and 5% ACA

Step 4: $.85S + .05S = .9S = \$194,400 =$ Federal Authorization

Calculating SEOG Funds Available for Awards, ACA, and Federal/Nonfederal Shares (continued)

Step 5: $S = \frac{\$194{,}400}{.9} = \$216{,}000$ = SEOG funds available for awards

Step 6: $.05S = \$10{,}800$ = ACA

Step 7: $.85S = \$183{,}600$ = Federal share

Step 8: $.15S = \$32{,}400$ = Nonfederal share

Calculating CWS Gross Wages Available for Awards, ACA, Federal, and Institutional Shares for 1991-92

Step 1: Let C = gross wages available

Step 2: If C unknown, calculate it

Step 3: Remember federal CWS pays up to 70% of wages and 5% ACA

Step 4: .70C + .05C = .75C

Step 5: $123,000 = available federal CWS funds

Step 6: $C = \frac{\$123{,}000}{.75} = \mathbf{\$164{,}000}$ = gross wages available

Calculating CWS Gross Wages Available for Awards, ACA, Federal, and Employer Shares (continued)

Step 7: .05C = $8,200 = ACA

Step 8: .70C = $114,800 = federal share of payroll

Step 9: .30C = $49,200 = employer share of payroll

DETERMINING TOTAL PERKINS LOAN FUNDS FOR 1988-89

FCC (Federal Authorization)		ICC (1/9 x FCC)		Projected Repayments
$325,000	+	$36,111	+	$410,000

	Cash on Hand		Total Perkins Loan Funds
+	$19,400	=	$790,511

Calculating Perkins Funds Available for Loans and Perkins ACA for 1991-92

Step 1: Let L = funds available for loans

Step 2: If L unknown, calculate it

Step 3: If ACA 5%, Perkins ACA = .05L

Step 4: L + .05L = 1.05L = $790,511
= Total Perkins Loan funds

Step 5: $L = \frac{\$790{,}511}{1.05} = \$752{,}868 =$ Perkins funds available for loans

Step 6: .05L = $37,643 = Perkins Loan ACA

Straight College 1991-92 Financial Aid Budget

Campus-Based Programs: Federal Authorizations

SEOG	$135,000
CWS	$84,000
Perkins Loan	$180,000
-- Projected Repayments	$100,000
-- Cash on hand	$15,000

No transfers or carry forward/carry back.

Calculating Funds Available for Awards and ACA for the SEOG Program

Step 1: Let S = funds available for awards.

Step 2: At 5%, ACA = .05S

Step 3: .85S + .05S = .9S = $135,000 = Total federal funds

Step 4: $S = \frac{\$135{,}000}{.9} = \$150{,}000 =$ SEOG funds available for awards

Step 5: .05S = $7,500 = ACA for SEOG

Calculating CWS Gross Wages Available and ACA

Step 1: Let C = gross CWS wages available

Step 2: Remember, federal CWS authorization pays up to 70% of wages and 5% ACA

Step 3: $.70C + .05C = .75C = \$84{,}000 =$ Federal CWS authorization

Step 4: $C = \frac{\$84{,}000}{.75} = \$112{,}000 =$ gross CWS wages available

Step 5: $.05C = \$5{,}600 =$ ACA for CWS

DETERMINING TOTAL PERKINS LOAN FUNDS

FCC (Federal Authorization)

$180,000

+

ICC (1/9 x FCC)

$20,000

+

Projected Repayments

$100,000

Cash on Hand

+ $15,000

=

Total Perkins Loan Funds

$315,000

Calculating Perkins Funds Available for Loans and Perkins ACA

Step 1: Let L = funds available for loans

Step 2: If ACA 5%, Perkins ACA = .05L

Step 3: L + .05L = 1.05L = $315,000 = Total Perkins Loan funds

Step 4: $L = \frac{\$315{,}000}{1.05} = \$300{,}000$ = Perkins funds available for loans

Step 5: .05L = $15,000 = Perkins ACA

Transfer City College 1991-92 Financial Aid Budget
Campus-Based Programs: Federal Authorization

SEOG	$120,000
CWS	$420,000
Perkins Loan	$378,000

Other Funds:

Projected Perkins Repayments	$230,000
Perkins Cash On Hand	$19,500

Calculating SEOG Funds Available for Awards and ACA

Step 1: SEOG Authorization plus transfer from CWS
$= \$120{,}000 + \$42{,}000 = \$162{,}000$

Step 2: S = SEOG funds available for awards

Step 3: $ACA = .05S$

Step 4: $.85S + .05S = .9S = \$162{,}000$ = Total federal SEOG funds

Step 5: $\dfrac{\$162{,}000}{.9} = \$180{,}000$ = Funds available for grants

Step 6: $.05S \times \$180{,}000 = \$9{,}000$ = ACA for SEOG

Calculating CWS Gross Wages Available and ACA

Step 1: CWS authorization - transfer to SEOG + Carry Forward = Total federal CWS funds

$420,000 - $42,000 + $39,000 = $417,000

Step 2: C = gross CWS wages available

Step 3: .70C + .05C = .75C = $417,000 = Total federal CWS funds

Step 4: $\frac{\$417,000}{.75}$ = $556,000 = Gross CWS Wages Available

Step 5: .05C = $27,800 = ACA for CWS

CALCULATING TOTAL PERKINS LOAN FUNDS

	FCC (Federal Authorization)	$378,000
+	ICC (1/9 x FCC)	42,000
+	Projected Repayments	230,000
+	Cash on Hand	19,500
=	Total Perkins Loan Funds	$669,500

Calculating Perkins Loan Funds Available and Perkins ACA

Step 1: L = Perkins Loan funds available for awards

Step 2: At 5% ACA, Perkins Loan ACA = .05L

Step 3: L + .05L = 1.05L = $669,500 = Total Perkins Loan funds

Step 4: $L = \frac{\$669{,}500}{1.05} = \$637{,}619 =$ Perkins funds available for loans

Step 5: .05L = $31,881 = Perkins Loan ACA

SUMMARY OF THIS SESSION

- How to participate in the 3 main campus-based programs: SEOG, CWS, and Perkins Loan
- The funding process
- The delivery system
- Allowable uses of campus-based authorizations
- Nonfederal matching requirements (all three campus-based programs now have matching requirements)
- Administrative cost allowances
- Cash management, including transfers and carry forward/carry back
- Estimating funds available for campus-based awards to students, including transfers and carry forward/carry back

SESSION
6

DISBURSEMENT, REFUND, AND REPAYMENT CASE STUDIES

OVERVIEW

(1 HOUR)

A. Orientation to Session 6

B. Refund/Repayment Review

C. Group Activity--Refund/Repayment Case Studies

D. Case Study Group Reports

MAIN OBJECTIVES

- Working on case studies relevant to their own institutions, participants will calculate the amounts of Title IV aid attributed to academic payment periods
- Working on case studies relevant to their own institutions, participants will calculate the total institutional refund owed to Title IV and to the student under regular and *pro rata* policies
- Working on case studies relevant to their own institutions, participants will calculate the portion of the institutional refund owed to Title IV programs
- Working on case studies relevant to their own institutions, participants will calculate the total student repayment owed to Title IV programs
- Working on case studies relevant to their own institutions, participants will develop an allocation policy and calculate the portions of the Title IV refund and repayment owed to each individual Title IV program and to lenders

A. ORIENTATION TO SESSION 6

In this session, you will be working through a case study to analyze refund/repayment situations which are relevant to your own institution.

This session will help answer questions like:

- When do refund/repayment procedures apply?
- Which institutional policies and procedures are used to calculate refunds and repayments?
- How are regulatory formulas used to calculate the Title IV share of refunds and repayments?
- How does the distribution formula used to calculate the Title IV portion of refunds differ from the distribution formula used to calculate repayments?.

B. REFUND/REPAYMENT REVIEW

For further information, see *The Blue Book* Chapter 2, pages 61-81.

In order to calculate refunds and repayments, you will need to start with a clear definition of the terms **refund** and **repayment** as they are used in the Title IV programs.

Refund refers to the amount of aid applied to institutional charges which a school must return to the student and/or aid programs after a student withdraws, drops out, or is expelled from school.

Repayment refers to the amount of aid disbursed directly to a student for noninstitutional costs which must be repaid to the school after the student withdraws.

The procedure schools must follow in calculating Title IV refunds and repayments is dependent on regulatory formulas, sound institutional policies, and a clear understanding of refund/repayment terms and definitions.

Steps involved in the calculation of refunds and repayments include:

1. Attributing payments to specific payment periods.
2. Calculating the total amount of the refund and/or repayment using the student's withdrawal or drop-out date and the school's refund policy and/or repayment policy. (Schools with a cohort default rate exceeding 30% must use a *pro rata* refund policy for students receiving guaranteed student loans, except when the institution's own policy results in a higher refund.)
3. Calculating the Title IV portion of refund/repayment amounts using the required distribution formula.
4. Allocating the Title IV share of refund/repayment amounts to individual program accounts using the institution's allocation policy.
5. Returning Title IV funds to program accounts within specified time limits.

In order to comply with federal regulations governing refunds and repayments, schools are required to develop institutional refund policies and refund/repayment allocation policies. Institutional policies and procedures are listed on pages 6-8 of Session 4 of this *Trainee Guide*. Other important definitions and frequently used terms are listed on pages 4-5 of that session.

C. GROUP ACTIVITY--REFUND/REPAYMENT CASE STUDIES

Directions: Working with your group, analyze the case study (Case 3 or Case 4) appropriate for your institution.

From the end of this session, please pull out:

- either Case Study 3, if you work at a term school (pages 6-9 at the end of this session)
- or Case Study 4, if you work at a clock-hour school (pages 10-13 at the end of this session)

The case studies are designed to give you practice and experience in calculating refunds and repayments.

You should complete the entire worksheet for your case. This means you are to:

- calculate the refund portion due to Title IV programs under the school's refund policy and then the *pro rata* formula
- calculate the repayment amount due to Title IV programs
- develop an allocation policy and distribute the refund/repayment amounts back to the Title IV programs

Some groups will be asked to present a report on their solution to the case study, so please select an individual to present for your group.

You have 30 minutes for this activity.

As a reference, use *The Blue Book* Chapter 2, pages 61-81, and also Session 4 of this guide.

D. CASE STUDY GROUP REPORTS

Each group should select a spokesperson to present a summary of your group's findings in case your group is called on. This will also be the time for you to bring up any refund/repayment problems you have faced or are facing at your institution.

==

SUMMARY

In this session, we looked at:

- cases involving regular refunds, *pro rata* refunds, and repayments
- payment attribution for programs without terms
- exclusion of guaranteed student loans from repayment
- repayment of overpayment for living expenses
- refund of institutionally contracted charges for room and board
- treatment of tuition exemptions or waivers
- treatment of a nonrefundable fee in excess of the maximum administrative fee allowed by regulation for students subject to the *pro rata* refund calculation
- prioritized, equal, and proportional allocation of the Title IV portion of refunds and repayments

For further information on the topics covered in this session, see *The Blue Book* Chapter 2, pages 61-81.

================END OF SESSION 6===============

CASE 3 Dean Adams SOUTHERN STATE COLLEGE

Southern State College is a four-year public school that operates on a semester system; each term is 16 weeks long. The College participates in all of the campus-based programs, as well as the Pell Grant and guaranteed loan programs. The school requires new or returning students to pay a $50 deposit which is applied to tuition charges.

REFUND POLICY

Tuition and fees are refunded according to the following schedule:

If student withdraws:	*The school refunds:*
Before classes	100%
Within week 1	80%
Within week 2	70%
Within week 3	60%
Within week 4	50%
After week 4	0%

Institutionally contracted Room and Board charges are refunded on a *pro rata* basis of 16 weeks per semester.

The school retains a $50 withdrawal fee.

REPAYMENT POLICY

Southern State College pro-rates all living expenses on a weekly basis, and one-half of the books/supplies expenses for the Academic Year are considered expended during the first week of each semester.

STUDENT INFORMATION

Dean Adams attends a community college for two years and enrolls as a junior at Southern State College for the Fall semester. He withdraws during the fourth week of his first term.

Student Budget for Academic Year

Tuition and Fees	$1,960
Room & Board (on campus)	$3,040
Transportation	$ 442
Personal & Other	$1,042
Books/Supplies	$ 454

Aid Awarded and Disbursed

Dean was awarded a $500 School Grant, a $1,200 Pell Grant, a $600 SEOG, a $2,500 Perkins Loan, and a $2,100 Stafford Loan for the full academic year.

Dean received financial aid disbursements for the payment period in the following order:

- A $250 School Grant, a $1,250 Perkins Loan payment and a $950 Stafford Loan payment were credited to Dean's account.
- He received a cash disbursement of $600 Pell Grant, $300 SEOG, and $26.50 for the balance of his first period Stafford Loan advance.

REGULAR REFUND WORKSHEET

Name: Adams, Dean
SSN: 999-99-9998
Payment Period Start Date: 09/03/9X
Withdrawal Date: 09/26/9X
Drop-Out Date: same

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (e.g. to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees			
Room			
Board			

Administrative Fee ______

Total Retained ______

STEP 2 Aid Awarded for Payment Period

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
A. Total Title IV Funds ______
B. School and Other Aid ______
C. Total Aid (add A and B) ______

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
Cash Payment by Student ______
School and Other Aid ______
Total Paid Charges ______

STEP 4 Refund by School

Total Paid Charges (from Step 3) ______
Total Retained (from Step 1) - ______
Refund ______

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______

Name: ______

SSN: ______

Payment Period Start Date: ______

Withdrawal Date: ______

Drop-Out Date: ______

STEP 1 *Pro Rata* Amount Retained by School (based on §682.607)

School Charges	x	% of Program Completed	=	Amount Retained
______	x	______	=	______

Administrative Fee + ______

Total Retained ______

STEP 2 Aid Awarded for Payment Period

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
A. Total Title IV Funds ______
B. School and Other Aid ______
C. Total Aid (add A and B) ______

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
Cash Payment by Student ______
School and Other Aid ______
Total Paid Charges ______

STEP 4 Refund by School

Total Paid Charges (from Step 3) ______

Total Retained (from Step 1) - ______

Refund ______

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$$

REPAYMENT WORKSHEET

Name: ______

SSN: ______

Payment Period Start Date: ______

Withdrawal Date: ______

Drop-Out Date: ______

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	______	______	______
Books/Supplies	______	______	______
Transportation	______	______	______
Dependent Care	______	______	______
Personal	______	______	______
		Total Incurred	______

STEP 2 Aid Awarded for Payment Period

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

A. Total Title IV Funds ______

B. School and Other Aid ______

C. Total Aid (add A and B) ______

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

School and Other Aid ______

Total Cash Disbursed ______

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) ______

Total Incurred (from Step 1) - ______

Repayment ______

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

Repayment (from Step 4) X $\frac{\textbf{Title IV Funds Awarded (from Step 2A)}}{\textbf{Total Aid Awarded (from Step 2C)}}$ = **Amount to Title IV Programs**

☐ X $\frac{☐}{☐}$ = ☐

ALLOCATION TO TITLE IV PROGRAMS

Refund ______

Stafford ______

SLS ______

PLUS ______

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

Repayment ______

Perkins ______

ICL ______

SEOG ______

Pell ______

SSIG ______

CASE 4 Fran Howard WAY WEST TECHNICAL INSTITUTE

The school offers 900 clock-hour programs in diesel mechanics and auto body repair. It does not participate in the campus-based programs, but its students are eligible for State Need Grants (not SSIG funded). For Title IV purposes, the program is considered as two 450-hour payment periods. While normal practice at Way West is to pay for the entire course up front, financial aid recipients are allowed to defer payment on the percentage of tuition and fees which will be paid by the student's second disbursement of financial aid.

REFUND POLICY

Tuition and Fees are refunded according to the following schedule:

Percentage of Clock Hours Completed	*Percentage Refunded*
0 - 4.9%	100%
5 - 9.9%	80%
10 - 14.9%	60%
15 - 24.9%	40%
25 - 49.9%	20%
50% and over	0%

The school retains a $150 withdrawal fee.

REPAYMENT POLICY

Off-campus living expenses are pro-rated based on the percentage of time completed.

Expenses for books and supplies are incurred at the beginning of each program.

STUDENT INFORMATION

Fran Howard, a single parent, enrolls in a 900-hour program at Way West Technical Institute in March. She withdraws from the program after attending for four weeks (120 hours of class).

Student Budget for 900-Hour Program

Tuition and Fees	$6,000
Room and Board (off campus)	$3,040
Books & Supplies	$ 450
Transportation	$ 450
Personal	$ 830
Dependant Allowance	$ 400

Aid Awarded and Disbursed

Fran's financial aid for the 900-hour program consisted of:

State Need Grant	$1,124
Pell Grant	$2,300
Stafford Loan	$2,625
SLS	$4,000

Fran made an initial cash payment of $500 when she signed the enrollment contract, and received the following financial aid disbursements for the payment period:

$ 562	SNG
$1,150	Pell Grant
$1,225	Stafford
$1,890	SLS

The school applied $3,000 of Fran's financial aid award to her account and gave her a check for $1,827 (this cash disbursement consisted of $1,150 Pell Grant, $562 SNG and $115 Stafford Loan monies).

REGULAR REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

Name: Howard, Fran
SSN: 999-99-9999
Payment Period Start Date: 3/05/9x
Withdrawal Date: 3/31/9X
Drop-Out Date: same

STEP 1 **Amount Retained by School (based on refund policy)**

	Charges		**Amount Retained**
Tuition/Fees			
Room			
Board			

Administrative Fee ________
Total Retained ________

STEP 2 **Aid Awarded for Payment Period**

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
A. Total Title IV Funds ________
B. School and Other Aid ________
C. Total Aid (add A and B) ________

STEP 3 **Payments (for Payment Period) Credited to School Charges**

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
Cash Payment by Student ________
School and Other Aid ________
Total Paid Charges ________

STEP 4 **Refund by School**

Total Paid Charges (from Step 3) ________
Total Retained (from Step 1) - ________
Refund ________

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

Refund (from Step 4) *X* $\frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}}$ = **Amount to Title IV Programs**

$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

Name: ______

SSN: ______

Payment Period Start Date: ______

Withdrawal Date: ______

Drop-Out Date: ______

STEP 1 ***Pro Rata* Amount Retained by School (based on §682.607)**

School Charges x **% of Program Completed** = **Amount Retained**

______ x ______ = ______

Administrative Fee + ______

Total Retained ______

STEP 2 **Aid Awarded for Payment Period**

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
A. Total Title IV Funds ______
B. School and Other Aid ______
C. Total Aid (add A and B) ______

STEP 3 **Payments (for Payment Period) Credited to School Charges**

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
Cash Payment by Student ______
School and Other Aid ______
Total Paid Charges ______

STEP 4 **Refund by School**

Total Paid Charges (from Step 3) ______

Total Retained (from Step 1) - ______

Refund ______

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

$$\text{Refund (from Step 4)} \times \frac{\textbf{Title IV Funds Awarded} \text{ (from Step 2A)}}{\textbf{Total Aid Awarded} \text{ (from Step 2C)}} = \textbf{Amount to Title IV Programs}$$

$$\boxed{} \times \frac{\boxed{}}{\boxed{}} = \boxed{}$$

REPAYMENT WORKSHEET

Name: ____________________

SSN: ____________________

Payment Period Start Date: ____________________

Withdrawal Date: ____________________

Drop-Out Date: ____________________

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	________	_____	________
Books/Supplies	________	_____	________
Transportation	________	_____	________
Dependent Care	________	_____	________
Personal	________	_____	________
		Total Incurred	________

STEP 2 Aid Awarded for Payment Period

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

A. Total Title IV Funds ________

B. School and Other Aid ________

C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

School and Other Aid ________

Total Cash Disbursed ________

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) ________

Total Incurred (from Step 1) - ________

Repayment ________

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{\quad\quad} \; X \; \frac{\boxed{\quad\quad}}{\boxed{\quad\quad}} = \boxed{\quad\quad}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund ________

Stafford ________

SLS ________

PLUS ________

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

Repayment ________

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

OH Six-1

INSTITUTIONAL REFUND WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

Name: ________________

SSN: ________________

Payment Period Start Date: ________________

Withdrawal Date: ________________

Drop-Out Date: ________________

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees			
Room			
Board			
Administrative Fee			
Total Retained			

OH Six-2

INSTITUTIONAL REFUND WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

STEP 2 Aid Awarded for Payment Period

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
A. Total Title IV Funds ______
B. School and Other Aid ______
C. Total Aid (add A and B) ______

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ______
SLS ______
PLUS ______
Perkins ______
ICL ______
SEOG ______
Pell ______
SSIG ______
Cash Payment by Student ______
School and Other Aid ______
Total Paid Charges ______

STEP 4 Refund by School

Total Paid Charges (from Step 3) ______
Total Retained (from Step 1) - ______
Refund ______

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \; X \; \frac{\boxed{}}{\boxed{}} = \boxed{}$$

OH Six-3

PRO RATA REFUND WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

PRELIMINARY STEP 1 | **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 | **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________
______	__________	-	__________	=	__________

Name: ______________________________

SSN: ______________________________

Payment Period Start Date: ________________

Withdrawal Date: ____________________

Drop-Out Date: ______________________

STEP 1 | ***Pro Rata* Amount Retained by School (based on §682.607)**

School Charges		**% of Program Completed**		**Amount Retained**
__________	x	__________	=	__________

Administrative Fee + __________

Total Retained __________

OH Six-4

PRO RATA REFUND WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

STEP 2 Aid Awarded for Payment Period

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
A. Total Title IV Funds ________
B. School and Other Aid ________
C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
Cash Payment by Student ________
School and Other Aid ________
Total Paid Charges ________

STEP 4 Refund by School

Total Paid Charges (from Step 3) ________
Total Retained (from Step 1) -________
Refund ________

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

Refund (from Step 4) *X* **Title IV Funds Awarded** (from Step 2A) / **Total Aid Awarded** (from Step 2C) = **Amount to Title IV Programs**

☐ *X* ☐ / ☐ = ☐

REPAYMENT WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

Name: ____________________

SSN: ____________________

Payment Period Start Date: ____________________

Withdrawal Date: ____________________

Drop-Out Date: ____________________

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	________	______	________
Books/Supplies	________	______	________
Transportation	________	______	________
Dependent Care	________	______	________
Personal	________	______	________
		Total Incurred	________

STEP 2 Aid Awarded for Payment Period

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

A. Total Title IV Funds ________

B. School and Other Aid ________

C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

School and Other Aid ________

Total Cash Disbursed ________

OH Six-6

REPAYMENT WORKSHEET
CASE 3--DEAN ADAMS, SOUTHERN STATE COLLEGE

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) ____________

Total Incurred (from Step 1) - ____________

Repayment ____________

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \; X \; \frac{\boxed{}}{\boxed{}} = \boxed{}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund ____________

Stafford ____________

SLS ____________

PLUS ____________

Perkins ____________

ICL ____________

SEOG ____________

Pell ____________

SSIG ____________

Repayment ____________

Perkins ____________

ICL ____________

SEOG ____________

Pell ____________

SSIG ____________

ALLOCATION (CASE 3)

Regular Refund - $1,466

Prioritized:

Stafford	$950	OR	SEOG	$300
Perkins	$516		Pell	$600
SEOG	$ 0		Perkins	$566
Pell	$ 0		Stafford	$ 0

ALLOCATION (CASE 3)

Regular Refund - $1,466

Equal:

Stafford	$366.50	Perkins	$366.50
Pell	$366.50	SEOG	$366.50*

*Not possible--SEOG only $300

ALLOCATION (CASE 3)

Regular Refund - $1,466

Proportional:

Perkins	$1,250/$3,200	= 39%	x $1,466	= $571.74
Stafford	$1,050/$3,200	= 33%	x $1,466	= $483.78
Pell	$ 600/$3,200	= 19%	x $1,466	= $278.54
SEOG	$ 300/$3,200	= 9%	x $1,466	= $131.94

ALLOCATION (CASE 3)

Pro Rata Refund - $1,530

Prioritized:

Stafford	$950	OR	SEOG	$300
Perkins	$580		Pell	$600
SEOG	$ 0		Perkins	$630
Pell	$ 0		Stafford	$ 0

OH Six-11

ALLOCATION (CASE 3)

Pro Rata Refund - $1,530

Equal:

Stafford	$382.50	Perkins	$382.50
Pell	$382.50	SEOG	$382.50*

*Not possible--SEOG only $300

ALLOCATION (CASE 3)

Pro Rata Refund - $1,530

Proportional:

Perkins $1,250/$3,200 = 39% x $1,530 = $596.70

Stafford $1,050/$3,200 = 33% x $1,530 = $504.90

Pell $ 600/$3,200 = 19% x $1,530 = $290.70

SEOG $ 300/$3,200 = 9% x $1,530 = $137.70

ALLOCATION (CASE 3)

Repayment - $437

Prioritized:

Perkins	$437	OR	Pell	$437
SEOG	$ 0		SEOG	$ 0
Pell	$ 0		Perkins	$ 0

ALLOCATION (CASE 3)

Repayment - $437

Equal:

Perkins	$145.67
Pell	$145.67
SEOG	$145.66

ALLOCATION (CASE 3)

Repayment - $437

Proportional:

Perkins	$1,250/$2,150	= 58% x $437	= $253.46
Pell	$ 600/$2,150	= 28% x $437	= $122.36
SEOG	$ 300/$2,150	= 14% x $437	= $ 61.18

OH Six-16

INSTITUTIONAL REFUND WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

PRELIMINARY STEP 1 **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	
		-		=	

Name: ________________

SSN: ________________

Payment Period Start Date: ________________

Withdrawal Date: ________________

Drop-Out Date: ________________

STEP 1 **Amount Retained by School (based on refund policy)**

	Charges		**Amount Retained**
Tuition/Fees			
Room			
Board			
		Administrative Fee	
		Total Retained	

OH Six-17

INSTITUTIONAL REFUND WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

STEP 2 Aid Awarded for Payment Period

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
A. Total Title IV Funds ________
B. School and Other Aid ________
C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
Cash Payment by Student ________
School and Other Aid ________
Total Paid Charges ________

STEP 4 Refund by School

Total Paid Charges (from Step 3) ________
Total Retained (from Step 1) - ________
Refund ________

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \; X \; \frac{\boxed{}}{\boxed{}} = \boxed{}$$

OH Six-18

PRO RATA REFUND WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

PRELIMINARY STEP 1 | **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 | **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______
______	______	-	______	=	______

Name: ______________________

SSN: ______________________

Payment Period Start Date: ______________

Withdrawal Date: ______________________

Drop-Out Date: ______________________

STEP 1 | ***Pro Rata* Amount Retained by School (based on §682.607)**

School Charges	x	% of Program Completed	=	Amount Retained
________	x	________	=	________

Administrative Fee + ________

Total Retained ________

OH Six-19

PRO RATA REFUND WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

STEP 2 Aid Awarded for Payment Period

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
A. Total Title IV Funds ________
B. School and Other Aid ________
C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford ________
SLS ________
PLUS ________
Perkins ________
ICL ________
SEOG ________
Pell ________
SSIG ________
Cash Payment by Student ________
School and Other Aid ________
Total Paid Charges ________

STEP 4 Refund by School

Total Paid Charges (from Step 3) ________
Total Retained (from Step 1) - ________
Refund ________

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \; X \; \frac{\textbf{Title IV Funds Awarded (from Step 2A)}}{\textbf{Total Aid Awarded (from Step 2C)}} = \textbf{Amount to Title IV Programs}$$

$$\boxed{} \; X \; \frac{\boxed{}}{\boxed{}} = \boxed{}$$

OH Six-20

REPAYMENT WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

Name: ____________________

SSN: __________ __________

Payment Period Start Date: ____________

Withdrawal Date: ________________

Drop-Out Date: ________________

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		**Living Expenses Actually Incurred**
Room/Board	______	____	______
Books/Supplies	______	____	______
Transportation	______	____	______
Dependent Care	______	____	______
Personal	______	____	______
		Total Incurred	______

STEP 2 Aid Awarded for Payment Period

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

A. Total Title IV Funds ________

B. School and Other Aid ________

C. Total Aid (add A and B) ________

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins ________

ICL ________

SEOG ________

Pell ________

SSIG ________

School and Other Aid ________

Total Cash Disbursed ________

REPAYMENT WORKSHEET
CASE 4--FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) ____________

Total Incurred (from Step 1) - ____________

Repayment ____________

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{} \; X \; \frac{\boxed{}}{\boxed{}} = \boxed{}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund ____________
Stafford ____________
SLS ____________
PLUS ____________
Perkins ____________
ICL ____________
SEOG ____________
Pell ____________
SSIG ____________

Repayment ____________
Perkins ____________
ICL ____________
SEOG ____________
Pell ____________
SSIG ____________

ALLOCATION (CASE 4)

Regular Refund - $622

Prioritized:

Stafford	$622	OR	Pell	$622
SLS	$ 0		SLS	$ 0
Pell	$ 0		Stafford	$ 0

ALLOCATION (CASE 4)

Regular Refund - $622

Equal:

Stafford	$207.34
Pell	$207.33
SLS	$207.33

OH Six-24

ALLOCATION (CASE 4)

Regular Refund - $622

Proportional:

Stafford	$1,312.50/$4,462.50	= 29%	x $622	=	$180.38
Pell	$1,150.00/$4,462.50	= 29%	x $622	=	$161.72
SLS	$2,000.00/$4,462.50	= 45%	x $622	=	$279.90

ALLOCATION (CASE 4)

Pro Rata Refund - $1,732

Prioritized:

Stafford	$1,225*	OR	Pell	$1,150
SLS	$ 507		SLS	$ 582
Pell	$ 0		Stafford	$ 0

*Note: As an alternative, school could elect to return full loan amount of $1,312.50--including insurance premium and origination fee--because student is considered to have received benefit of the full loan amount.

ALLOCATION (CASE 4)

Pro Rata Refund - $1,732

Equal:

Stafford	$577.34
Pell	$577.33
SLS	$577.33

ALLOCATION (CASE 4)

Pro Rata Refund - $1,732

Proportional:

Stafford $1,312.50/$4,462.50 = 29% x $1,732 = $502.28

Pell $1,150.00/$4,462.50 = 29% x $1,732 = $450.32

SLS $2,000.00/$4,462.50 = 45% x $1,732 = $779.40

ALLOCATION (CASE 4)

Repayment - $425 to Pell

OH Six-29

SUMMARY OF THIS SESSION

- Cases involving regular refunds, *pro rata* refunds, and repayments
- Payment attribution for programs without terms
- Exclusion of guaranteed student loans from repayment
- Repayment of overpayment for living expenses
- Refund of institutionally contracted charges for room and board
- Treatment of tuition exemptions or waivers
- Treatment of a nonrefundable fee in excess of the maximum administrative fee allowed by regulation in the *pro rata* refund calculation
- Prioritized, equal, and proportional allocation of the Title IV portion of refunds and repayments

SESSION 7

PROJECTING, DRAWING DOWN, MANAGING, AND RETURNING FEDERAL CASH

OVERVIEW

(2 HOURS)

A. Orientation to Session 7

B. Projecting Cash Needs
   1. Planning When to Draw Down Cash
   2. Projecting Federal Shares of Individual Programs

C. Drawing Down Cash
   1. Overview of ED/PMS
   2. Automated Clearing House/Electronic Fund Transfer (ACH/EFT)
   3. Federal Electronic Fund Transfer (FEDWIRE)
   4. U.S. Treasury Check
   5. Group Activity--"Spot the Mistakes" Case Study
   6. Correcting and Revising ED/PMS Reports
   7. Handling Problems with ACH/EFT Requests

D. Managing Federal Cash Received
   1. Receiving and Depositing Cash
   2. Group Activity--Cash Request and Management

E. Returning Federal Cash
   1. Excess Cash and Liabilities
   2. Deobligation

MAIN OBJECTIVES

- Participants will describe the procedures for projecting and drawing down federal cash
- Participants will recognize possible errors in projecting and drawing down federal cash
- Participants will describe ED procedures for reviewing and handling problems in requests for federal cash
- Participants will describe the rules and procedures for returning federal cash
- Participants will perform the steps involved in managing the federal cash received in typical situations (for example, where the projected needs have changed by the time cash is received)
- Participants will describe in general terms corrections and revisions which may be required in federal reports

A. ORIENTATION TO SESSION 7

This session will help answer questions like:

- How do institutions estimate how much cash will be needed for the Title IV programs?
- When and how do we draw down the needed federal cash?
- How do we prevent errors from occurring in the projection and drawdown process?
- Once the federal cash is received in our account, what are the rules and regulations involved in managing it?
- When might it be necessary to return funds to the federal government, and how is this done?
- What types of corrections and revisions to federal reports might be required in common situations?

B. PROJECTING CASH NEEDS

For further information, see *The Blue Book* pages 149-150.

1. Planning When to Draw Down Cash

Financing for Title IV student financial aid funds is normally received through advance payments through one of 3 systems:

1 the Automated Clearing House/Electronic Fund Transfer System--ACH/EFT

2 the Federal Electronic Fund Transfer System--FEDWIRE

3 the U.S. Treasury Check System

Cash on hand must not exceed immediate disbursement needs for each program. The definition of *immediate need* depends on the system you use:

- ACH/EFT: need for 3 working days
- FEDWIRE: need for 1 working day
- U.S. Treasury Check: need for 30 days

When does the institution make its request? Again, it depends on which of the 3 systems you use. The following are guidelines that will satisfy the regulations.

ACH/EFT System:

- place the request 5 working days before you wish to make the disbursement

FEDWIRE System:

- place the request 2 working days before you wish to make the disbursement

U.S. Treasury Check System:

- place the request 2 weeks before the first of the month during which the disbursements will be made

There are 3 basic elements to be considered in order to calculate the amount of the cash request:

1. The first factor is the *anticipated disbursements*.

What are the other 2 factors?

2. ______________________________

3. ______________________________

The institution should attempt to have enough federal cash on hand to meet the immediate disbursement needs for the Title IV programs. Which Title IV programs should be included in projecting cash needs?

____

For further information, see *The Blue Book* pages 149-150.

Let's see exactly how this timing works--**Exercise 1** will give you practice with this concept:

- Working by yourself, **fill in the blanks** in Exercise 1 on the next page.
- When you have finished, while you're waiting, check your answers with the members of your usual group of 3-4 people.

Exercise 1

Federal Share of Projected Title IV disbursement (to be made on Friday, January 15)	100,000
Cash on Hand	800
Anticipated Recoveries	9,200

1a: Cash request: ________

1b: Request date for ACH/EFT: ____________

1c: Request date for FEDWIRE: ____________

1d: Request date for Monthly Cash Request: ____________

2. Projecting Federal Shares of Individual Programs

For further information, see *The Blue Book* pages 149-150.

The cash draw-down for all the Title IV programs will be in the form of a single lump sum, and may include amounts for:

- Pell Grant--the *full* amount needed to pay the grants
- SEOG--the amount needed to pay the *federal share* of these grants
- CWS--the amount needed to meet the *federal share* of the current payroll
- Perkins Loan--the amount needed to meet the *federal share* of the new capital contribution needed to make loans

Session 5 provided an introduction to matching requirements. We will now review these important requirements from the point of view of projecting the amount of federal cash to be drawn down.

Remember these general rules:

- the federal share percentages represent the *maximum* federal shares, while the institutional share percentages are the *minimum* school shares
- regardless of federal share percentages, the federal cash draw-down for a program *cannot* exceed that program's authorization

The federal share of Pell Grants is the full amount--100% of the Pell payments to students.

For further information, see *The Blue Book* pages 8-10.

The federal share of the Perkins Loan program has not changed recently--it is a maximum of 90% of new capital contributions to the Fund. The minimum 10% ICC--Institutional Capital Contribution--must be deposited in the Fund on the same day as the federal funds at the latest.*

For further information, see *The Blue Book* pages 15-16.

*For some types of institutions--state institutions, for example--matching requirements must be anticipated well in advance.

The SEOG component of the cash request depends on the SEOG share requirements for the specific award year. These have changed recently:

• 1990-91	Federal Share:	90%
	Nonfederal Share:	10%
• 1991...	Federal Share:	85%
	Nonfederal Share:	15%

For further information, see *The Blue Book* pages 10 and 12-13.

The College Work-Study component of the cash request also depends on the CWS share requirements, and these have changed recently. However, it also depends on the specific CWS area where the funds are used:

- in the regular CWS program
- in the Community Service Learning (CSL) program**
- in the regular Job Location and Development (JLD) program**
- in the Community Service Job Location and Development (CS/JLD) program**

**Remember, only a *limited* amount of the CWS allocation may be used in the CSL, JLD, and CS/JLD programs. See *The Blue Book* pages 13-15 for details.

Regular CWS share requirements are as follows:

- On campus, or off campus in the public or private nonprofit sectors--the federal share may not exceed 70% for 1990-91 and future years.

For further information, see *The Blue Book* pages 13-15.

- Off campus, private for-profit sector--the federal share may not exceed 50% for 1990-91 and future years.

CSL share requirements--the federal share may not exceed 90% for 1988-89 and future years.

Regular JLD share requirements--off campus in any employment sector--the federal share may not exceed 80% for 1988-89 and future years.

CS/JLD share requirements--on campus, or off campus in the public or private nonprofit sectors--the federal share may not exceed 80% for 1988-89 and future years.

Let's see exactly how this timing works--**Exercise 2** will give you practice with this concept:

- Working by yourself, **fill in the blanks** in Exercise 2.
- When you have finished, while you're waiting, check your answers with the members of your usual group.

Exercise 2

Disbursement date: January 15, 1992	*---Federal Share---*	
	Dollars	*Percent*
a. Projected Pell disbursement: $50,000	______	______
b. Projected SEOG disbursement: $30,000	______	______
c. Projected on-campus CWS payroll: $40,000	______	______
d. Projected CSL payroll: $3,000	______	______
e. Projected New Capital Contribution needed to make Perkins Loans: $20,000	______	______
f. Federal Cash Request	______	

Reminder--all projections must be within each program's authorization.

NOTES AND REFERENCES

C. DRAWING DOWN CASH

For further information, see *The Blue Book* pages 150-159.

1. Overview of ED/PMS

We are discussing four student financial aid programs in which the school acts as disbursing agent on behalf of ED--Pell Grant, SEOG, CWS, and Perkins Loan.

For further information, see *The Blue Book* pages 150-151.

ED's Division of Financial Operations within the Financial Management System (FMS) disburses federal cash to schools for these aid programs. More specifically, the system within the FMS is the Payment Management System, known as ED/PMS.

ED/PMS is the institution's "single point of contact in ED for cash matters." It has 3 major functions:

1 to expedite the flow of cash between the federal government and the schools

2 to transmit institutional disbursement data back to ED's awarding offices

3 to manage cash advances to institutions

At the start of this process, ED sends notification of all authorizations to both the institution and the ED/PMS:

What document does ED send to notify you of your Pell Grant authorization?

Answer: ______________________________

What document does ED send to notify you of your campus-based program authorizations?

Answer: ______________________________

Currently there are 3 ED/PMS systems in use:

1 ACH/EFT

2 FEDWIRE

3 U.S. Treasury Check

2. Automated Clearing House/Electronic Fund Transfer (ACH/EFT) System

This system is the one used by the great majority of Title IV institutions. It provides "paperless payment processing."

There are 3 basic steps:

- the school makes phone call to the service bureau
- the service bureau transmits payment request data to ED/PMS
- if approved by ED/PMS, funds are transmitted directly into the school's account

This system uses a central service bureau, operated by National Computer Systems (NCS). Most calls are to the following toll-free number:

- 1-800-654-8341 (except from Alaska)

If approved by ED/PMS, the Federal Reserve Bank will deposit funds electronically to the school's account within 3-4 working days. However, calls made after 2 p.m. EST are treated as "next business day" requests.

The institution must arrange for electronic deposit by completing Form SF-1199A, the Direct Deposit Sign-Up Form. FMS will transfer $1 to the school's account to test the system.

FMS provides new users with:

- written authorization to use the ACH/EFT
- a copy of the *Recipient's Guide to the Payment Management System* (this has details of all three ED/PMS funds transfer methods described here)
- a school password (access code)

When making an ACH/EFT request, you must first complete an ACH/EFT Payment Request Record. An example is shown on page 154 of *The Blue Book*.

You must retain the Payment Request Record in your files for audit and program review purposes.

NOTES AND REFERENCES

For further information, see *The Blue Book* pages 151-155.

Note that both the Amount Requested and the Cash on Hand amounts must be entered in whole dollars--no cents.

When calling the NCS "800 number," there is one primary method of placing the request--the operator-assisted method. Although an automated voice response (AVR) method is available from touch-tone phones, this method is not recommended by FMS.

A request for a cash advance passes through several ED/PMS edits. An institution's cash requests may be delayed or rejected for reasons such as the following:

- the request exceeds the amount of authorized funds currently remaining in the institution's ED/PMS account
- the institution has been flagged for manual review of requests
- payment on the institution's account has been stopped

For further information, see *The Blue Book* page 157.

When a request is rejected for one or more reasons, it is referred to the institution's ED/PMS account representative for review by the next business day. The account representative generally tries to reach the recipient by telephone to notify the institution that a problem has occurred.

Recipients sometimes request amounts that are greater than the amount remaining in their ED/PMS account because they are not aware that a Title IV authorization has been reduced. Such award reductions may occur as a result of Title IV program office action or internal adjustments within FMS, as will be discussed in more detail later in this session.

It is important to compare your award documents with the ED/PMS 272 Quarterly Reports. If there are discrepancies, they must be resolved to avoid problems with draw-downs.

It is also important to return Quarterly Reports promptly. ED/PMS may place an institution on manual review as a result of failing to return ED/PMS Quarterly Reports.

A stop payment order on an institution's ED/PMS account can be placed with ED/PMS:

- at the request of ED's individual Title IV program offices
- by ED's Program Compliance Branch, as a result of the institution being placed on the payment reimbursement method*
- at the request of the ED office concerned with institutional eligibility and certification
- by FMS, because the school is on the "inactive list" as a result of not returning the two most recent ED/PMS Quarterly Reports

*For further information, see page Seven-12, Disbursement Method Alternatives

Later in this session we will present a detailed discussion of:

- why an award may be reduced
- how to request that the original award be restored

For further information, see *The Blue Book* pages 158-159.

3. Federal Electronic Fund Transfer (FEDWIRE)

For further information, see *The Blue Book* page 156.

FEDWIRE is actually two electronic funds transfer systems:

- one for payment
- one for returning funds (discussed later in this session)

FEDWIRE payments are made by wire transfer through the Federal Reserve Communications System. This method is used by states and some large institutions. In general, institutions cannot request to be placed on this funds transfer method.

There are 2 basic steps:

- the school makes a direct phone call to ED/PMS
- if approved by ED/PMS, funds are transmitted directly into the school's account through the Federal Reserve Bank (FRB)

With FEDWIRE, funds are received the next working day after the call is made.

4. U.S. Treasury Check System

For further information, see *The Blue Book* page 156.

This method is generally used only by new ED/PMS recipients who have not yet completed the administrative steps necessary to be placed on the ACH/EFT system.

There are 3 basic steps:

- the institution submits monthly cash requests using Form PMS-270
- ED/PMS processes the request, applying the standard edit criteria, and issues a Treasury check
- the institution deposits this check into the appropriate bank account

Disbursement Method Alternatives

For further information, see *The Blue Book* pages 157-158.

Regardless of whether an institution uses the ACH/EFT, FEDWIRE, or U.S. Treasury Check system, ED/PMS normally operates as an advance payment method. However, under some circumstances, the method of *payment reimbursement* is used:

- the institution first makes the aid disbursement
- the institution then requests a Treasury check to reimburse institutional funds

ED may place an institution on the payment reimbursement method because it:

- is unable to demonstrate adequate controls over federal funds
- has a history of large amounts of unexpended federal funds
- has not arranged for timely repayment of debt to ED
- has defaulted on repayments owed to ED
- has serious administrative problems, as disclosed during a program review or audit
- has been late in making refunds to the GSL programs

5. Group Activity--"Spot the Mistakes" Case Study

Directions: Shown below are the authorizations for Title IV funds that Sample College received for the 1991-92 award year. Sample College drew down funds for the Fall semester as indicated. It is now January, 1992, and Sample College is planning to make its Spring semester request, based on its expenditure projections, to ED/PMS via ACH/EFT. Which of the funding requests are allowable, and which are not? Work with your group to answer these Yes/No questions. You have 5 minutes.

ALREADY DRAWN-DOWN IN FALL 1991	*1991-92 Authorization*	*Fall 1991 Draw-Down*
Pell Grant	$60,000	$28,000
SEOG	$50,000	$28,000
Regular On-Campus CWS Payroll	$64,000	$32,000
Perkins Loan	$18,000	$10,000

JANUARY 1992 PLANS	*Planned Draw-Down*	*Is This Allowable?*
Pell Grant	$35,000	_____
SEOG	$22,000	_____
Regular On-Campus CWS Payroll	$30,000	_____
Perkins Loan	$11,000	_____
Total ED/PMS Request for Spring	$98,000	_____

6. Correcting and Revising ED/PMS Reports

For further information, see *The Blue Book* pages 222-223.

In the basic procedure for required quarterly ED/PMS reporting for the Pell Grant and campus-based programs, two of the Quarterly Reports must be completed and returned to ED:

- ED/PMS 272, Status of Federal Cash
- ED/PMS 272-A, Federal Cash Transaction Report

Two other Quarterly Reports are generated every quarter for reconciliation activity:

- ED/PMS 272-B, Statement of Cash Accountability
- ED/PMS 272-C, Error Correction Document

If there are no problems or errors, these reports are not returned to ED. However, if there are problems or errors, these reports must be returned to ED.

Two Quarterly Reports are not generated every quarter, but only when there is a specific reason for them:

- ED/PMS 272-F, Authorizations for Future Periods
- ED/PMS 272-G, Inactive Documents Report

The 272-G report may be returned to ED, at the institution's option--for example, to speed up the closing of an award.

As with draw-down requests, information supplied by the institution through returning the Quarterly Reports is subject to several different edit/reject criteria:

- If the institution reports expenditures in excess of an authorization, the excess expenditures are automatically rejected.
- The reported cash on hand is checked against the dates the cash was drawn down through ED/PMS. If the institution appears to have excess cash on hand, ED will send a request for a written justification of the amount of cash on hand or the return of the excess.

Problems often result when institutions do not reconcile fiscal records in their Financial Aid and Business Offices. For example, it is essential to reconcile FISAP and Quarterly Report information.

7. Handling Problems with ACH/EFT Requests

For further information, see *The Blue Book* page 158.

Previously, we discussed the criteria applied by ED/PMS when reviewing disbursement requests. This section will explain how to handle and correct errors and other problems with requests.

Reduced Award Level: The most common source of errors results from requests that exceed the remaining amounts of program authorizations in the school's ED/PMS account. This may happen when an award level has been reduced. ED/PMS may reduce award levels for Title IV programs as result of:

- a program office notification to ED/PMS that an award has been reduced
- FMS data base adjustments performed internally in the system
- incorrect reporting by the school on the Pell Grant Institutional Payment Summary (IPS) report of the total amount paid to date

The program office will notify both ED/PMS and the institution that an award has been reduced--for example, as result of audit or program review. It is important for the office that receives the notification of a reduction in an award authorization to alert other offices in the institution to this change. For instance, if the Business Office receives notification of a reduction, but does not alert the Financial Aid Office, the Financial Aid Office cannot adjust its expenditures accordingly. Whenever an award is reduced in ED/PMS, cumulative expenditures are also reduced to the revised authorization level.

For further information, see *The Blue Book* pages 158-159.

If an award previously reduced as result of an audit or program review is restored by ED, following the institution's explanation or request, the program office will forward an award restoration to ED/PMS. When the restored level appears on the ED/PMS 272 Report, the institution should report its latest cumulative expenditures, up to the new limit. It is the institution's responsibility to check the 272 Report to ensure that restoration has been completed.

FMS Data Base Adjustments: These are usually the result of an automated suspension. An automated suspension occurs when grants which have expired more than 18 months previously are removed automatically from an institution's authorization total. Deobligation, or funds suspension, will occur if the reported expenditures are less than the authorized award amount. The effect is a reduction (equal to the amount of the deobligation) in funds available to the institution in its ED/PMS account.

For further information, see *The Blue Book* page 236.

To restore awards that were reduced due to FMS adjustments, the institution needs to take the initial action. If the latest award document does not agree with the authorization reported on the ED/PMS 272, the institution should check whether an adjustment was made as a result of inactivity (automated suspension). If this is the reason, the institution should send FMS a letter requesting correction of the situation and enclosing a copy of its latest award letter.

- for quicker action, this correction request should be mailed separately from the ED/PMS 272

If the institution did not report actual expenditures on the IPS and the expenditures reported are less than those reported on the PMS 272 report, the authorization may be adjusted to reflect the lesser amount.

D. MANAGING FEDERAL CASH RECEIVED

For further information, see *The Blue Book* pages 159-162.

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1. Receiving and Depositing Cash

Cash drawn down for the Title IV programs will be requested as a single lump sum. As previously discussed, it will include amounts for:

- Pell--the amount needed to pay grants
- SEOG--the amount needed to pay the federal share of grants
- CWS--the amount needed to meet the federal share of the current payroll
- Perkins Loan--the amount needed for the federal share of the new capital contribution needed to make loans

The single payment received may be deposited:

- in a separate bank account for Title IV funds, or
- in an account containing other federal funds (in this case, the school must be able to account separately for the Title IV aid funds)

The payment should be posted to the Cash Control, ED/PMS ledger account. Any needed Perkins Loan portion should be transferred to the Perkins Loan Fund:

- the institutional share and the federal share should be deposited on the same day in an interest-bearing account or low-risk income producing securities (such as Treasury Bills)
- federal cash identified as Perkins funds is considered spent and can be used only for Perkins Loans--it cannot be returned to the Cash Control, ED/PMS ledger account (a liquidation procedure for excess Perkins funds is provided under the Perkins statute)

Transfers should also be made to other Title IV program accounts only as needed for disbursements:

- no balances should be left in the Cash Control ledger accounts for individual programs--return any balances to the Cash Control, ED/PMS ledger account
- if the amount in the Cash Control, ED/PMS account is in excess of immediate need, the excess must be returned to ED (see later in this session)

The total payment received from ED/PMS is used for programs as needed within authorized amounts.

Regulations require bank account names to conform to certain rules if they contain federal funds:

For further information, see *The Blue Book* page 162.

- the word "Federal" is required in the name of the account if it contains Pell Grant funds
- for other Title IV accounts, if separate from Pell, either the word "Federal" must be used in the bank account name, or the school must notify the bank in writing of the accounts in which federal funds are deposited--schools using the latter method must keep a copy of the written notification in their files
- the word "Federal" in the account name must not be abbreviated

2. Group Activity--Cash Request and Management

Directions: Sample College needs to project its next cash draw-down, as shown on the next page. After obtaining the cash, its needs have changed, and it must decide whether funds have to be returned to the Department of Education. Work in groups to answer these questions. You have 10 minutes.

CASH REQUEST AND MANAGEMENT

Sample College, which uses ACH/EFT, will begin its second semester on Friday, January 15, 1992. The following disbursement needs have been projected:

Pell Grants	$30,000
SEOG	24,000
Regular on-campus CWS Payroll	32,000
New Capital Contribution needed to make Perkins Loans	10,000

What amount should be requested? $________

The requested amount is directly deposited to Sample College's Title IV account (Account A) on the morning of January 14. In the afternoon, Sample College transfers $9,000 from this account to its Perkins account (Account B). Provide an appropriate name for each of these accounts, and show the amount of the requested funds now in each account:

	Checking Account Name	*Amount*	*Interest Bearing?*	
Account A	______________________	______	Yes ___	No ___
Account B	______________________	______	Yes ___	No ___

On January 15, Sample College finds it actually needs the following amounts to make disbursements:

Pell Grants	$36,800
SEOG	20,000
Regular on-campus CWS Payroll	28,000
New Capital Contribution for Perkins Loans	8,000

Which program accounts have federal cash in excess of "immediate need" which must be returned to the Department of Education?

NOTES AND REFERENCES

E. RETURNING FEDERAL CASH

For further information, see *The Blue Book* pages 162-170.

1. Excess Cash and Liabilities

Cash in excess of immediate disbursement need must be returned to ED. This "cash" includes interest earned on Title IV program funds, except for interest earned on Perkins Loan funds. It is important to note that cash balances may accrue through changes in need (actual vs. projected) and interest earned.

Accurate projections are necessary to avoid a constant need to return funds to ED.

Note, however, that interest earned on the Perkins Loan Fund is not returned to ED--it is deposited in the Loan Fund.

Funds may also need to be repaid to ED as the result of findings of liabilities during a program review or audit.

When returning funds, the school must clearly indicate the reason for their return.

There are 2 methods for making payments to ED:

- by check, if the amount is under $100,000
- by FEDWIRE, if the amount is $100,000 or more

See *The Blue Book* pages 162-170 for more details on returning funds to ED.

2. Deobligation

For further information, see *The Blue Book* page 170.

This does not involve returning funds--it concerns funds that have not been drawn down. ED asks schools to deobligate (release) authorized funds that have not been used and will not be used by June 30th (the end of the award year).

ED Form E40-4P for deobligation of campus-based funds is mailed each year to institutions for this purpose.

Deobligation reduces an institution's authorization, and the funds are reawarded to other schools that can use them.

If not deobligated, the unused funds are lost from the Title IV programs and returned to the U.S. Treasury.

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SUMMARY

In this session, we looked at:

- planning when to draw down federal cash and the amount that needs to be drawn down, including the important concept of *immediate need*
- projecting federal and institutional shares of aid, using the specific matching percentages required for many Title IV programs
- ED/PMS--the Department of Education's "single point of contact for cash matters"
- the three systems for drawing down cash--ACH/EFT, FEDWIRE, and U.S. Treasury Check
- how to correct and revise ED/PMS reports
- how to handle problems with ACH/EFT requests
- managing federal cash, including types and names of accounts in which it should be deposited
- returning federal cash, because of excess cash or liabilities
- deobligating part of a Title IV program authorization

For further information on the topics covered in this session, see *The Blue Book* Chapter 5.

===============END OF SESSION 7===============

FINANCING TITLE IV FUNDS:
3 METHODS OF ADVANCE PAYMENTS

1 Automated Clearing House/Electronic Fund Transfer--ACH/EFT
immediate need = need for 3 days

2 Federal Electronic Fund Transfer--FEDWIRE
immediate need = need for 1 day

3 U.S. Treasury Check
immediate need = need for 30 days

Solution to Exercise 1

Federal Share of Projected Title IV disbursement (to be made on Friday, January 15)	100,000
Cash on Hand	800
Anticipated Recoveries	9,200
1a: Cash request:	**90,000**

1b: Request date for ACH/EFT: **January 8 (Friday)**

1c: Request date for FEDWIRE: **January 13**

1d: Request date for U.S. Treasury Check: **December 15-18**

SEOG Share Requirements

Year	*Federal Share*	*Nonfederal Share*
1990-91	90%	10%
1991...	85%	15%

Regular CWS Share Requirements

Federal share may ***not*** exceed:

- On campus, or off campus in the public or private nonprofit sectors--

  70% for 1990-91 and future years

- Off campus, private for-profit sector--

  50% for 1990-91 and future years

Other CWS Share Requirements (cont)

Federal share may ***not*** exceed:

- ***CSL*** share requirements--

  90% for 1988-89 and future years

- ***Regular JLD*** share requirements--off campus in any employment sector--

  80% for 1988-89 and future years

- ***CS/JLD*** share requirements--on campus, or off campus in the public or private nonprofit sectors--

  80% for 1988-89 and future years

LIMITS ON USE OF CWS ALLOCATION FOR CSL, JLD, AND CS/JLD

Institution may use:

up to 10% for a Community Service Learning program

up to 10% or $30,000, whichever is less, for a regular Job Location and Development program

up to 10% or $20,000, whichever is less, for a Community Service Job Location and Development program

OH Seven-7

Solution to Exercise 2

Disbursement date: January 15, 1992	*Federal Share*	
a. Projected Pell disbursement: $50,000	**$50,000**	**100%**
b. Projected SEOG disbursement: $30,000	**$25,500**	**85%**
c. Projected on-campus CWS payroll: $40,000	**$28,000**	**70%**
d. Projected CSL payroll: $3,000	**$2,700**	**90%**
e. Projected New Capital Contribution needed to make Perkins Loans: $20,000	**$18,000**	**90%**
f. Federal Cash Request	**$124,200**	

3 Major Functions of ED/PMS

1 expedite flow of cash between federal government and the school

2 transmit institutional disbursement data back to ED's awarding offices

3 manage cash advances to institutions

OH Seven-9

ACH/EFT PAYMENT REQUEST RECORD

☐☐☐☐ **PIN**

☐ **Account Type**

DO NOT WRITE CODE HERE **Password**

☐☐☐☐☐☐☐☐☐☐☐ **Amount Requested (whole dollars only)**

+ or - ☐☐☐☐☐☐☐☐☐☐☐ **Actual Cash On Hand (whole dollars only)**

____

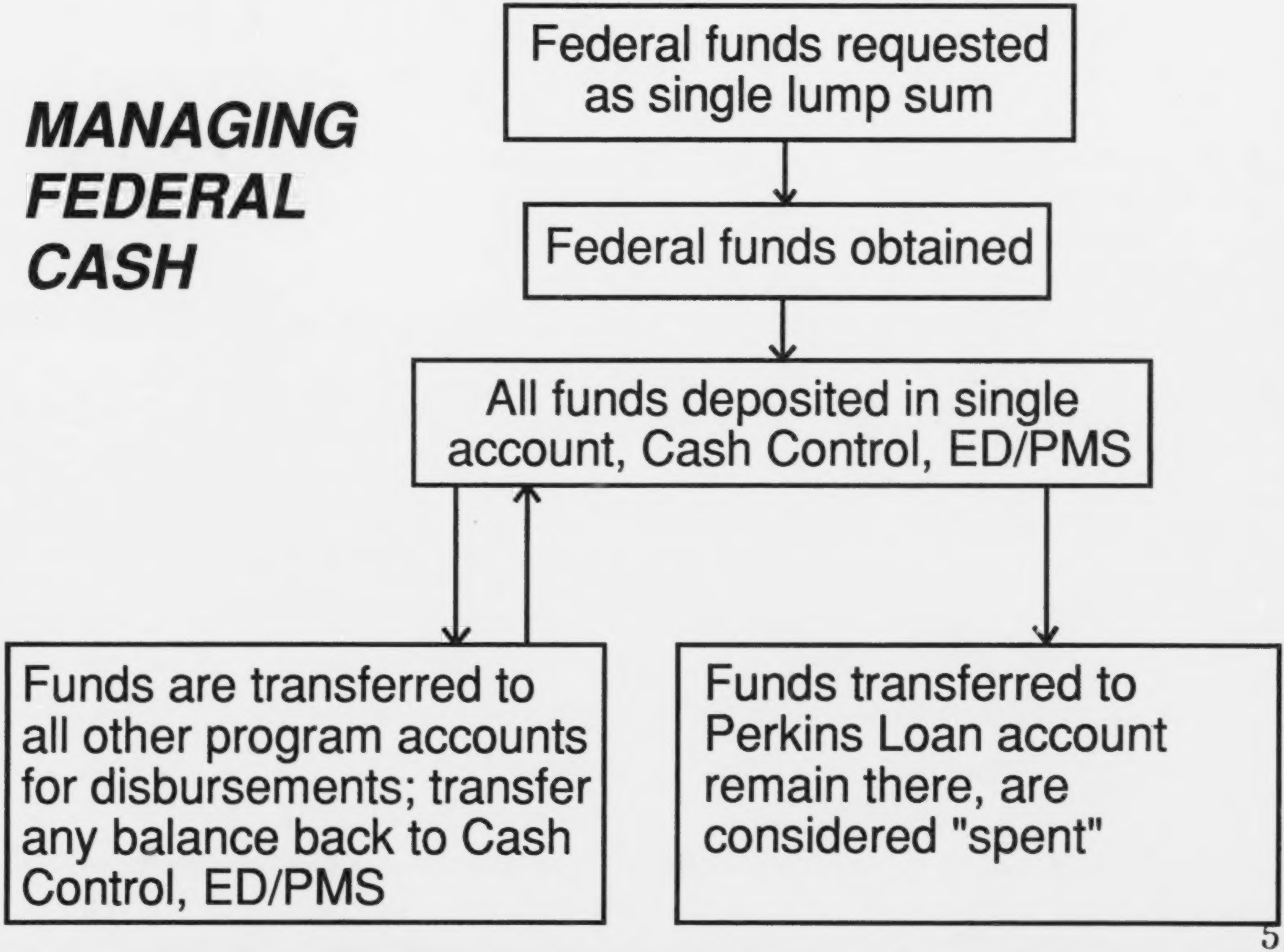
Name/Initials of Caller	**Date of Call**	**Time of Call**

☐☐☐☐☐☐☐ **Seven-digit Confirmation Code received from NCS following Acceptance of Payment Transaction**

Answers to "Spot the Mistakes" Case Study

JANUARY 1992 PLANS	*Planned Draw-Down*	*Is This Allowable?*
Pell Grant	$35,000	**No**
SEOG	22,000	**Yes**
Regular On-Campus CWS Payroll	30,000	**Yes**
Perkins Loan	11,000	**No**
Total ED/PMS Request for Spring	98,000	**No**

MANAGING FEDERAL CASH



Federal funds requested as single lump sum

Federal funds obtained

All funds deposited in single account, Cash Control, ED/PMS

Funds are transferred to all other program accounts for disbursements; transfer any balance back to Cash Control, ED/PMS

Funds transferred to Perkins Loan account remain there, are considered "spent"

OH Seven-12

Answers to Exercise: Cash Request and Management

		Federal Shares	
Pell Grants	$30,000	**$30,000**	**100%**
SEOG	24,000	**$20,400**	**85%**
Regular On-Campus CWS Payroll	32,000	**$22,400**	**70%**
New Capital Contribution needed for Perkins Loans	10,000	**$9,000**	**90%**
The amount that should be requested is:		**$81,800**	

Checking Accounts	*Amount*	*Interest Bearing?*
A **"Title IV Federal Aid Funds"**	**$72,800**	**No**
B **"Perkins Federal Loan Funds"**	**$9,000**	**Yes**

Answers to Exercise (continued)

		Federal Shares	
Pell Grants	$36,800	**$36,800**	**100%**
SEOG	20,000	**$17,000**	**85%**
Regular On-Campus CWS Payroll	28,000	**$19,600**	**70%**
		Total $73,400 --no excess!	
New Capital Contribution for Perkins Loans	8,000	**$7,200**	**90%**

--but $9,000 already deposited is "spent"

--no question of returning it to ED/PMS, so no excess

SUMMARY OF THIS SESSION

- Planning when to draw down federal cash and the amount that needs to be drawn down, including the important concept of *immediate need*
- Projecting federal and institutional shares of aid, using the specific matching percentages required for many Title IV programs
- ED/PMS--the Department of Education's "single point of contact for cash matters"
- The three systems for drawing down cash: ACH/EFT, FEDWIRE, and U.S. Treasury Check
- How to correct and revise ED/PMS reports
- How to handle problems with ACH/EFT requests
- Managing federal cash, including types and names of accounts in which it should be deposited
- Returning federal cash, because of excess cash or liabilities
- Deobligating part of a Title IV program authorization

SESSION

8

REPORTING REQUIREMENTS FOR THE TITLE IV PROGRAMS

OVERVIEW

(3¼ HOURS)

Part I

A. Orientation to Session 8

B. Overview of Title IV Reporting Requirements

C. Stafford Loan and SLS Program Reporting

D. Pell Grant Program Reporting

E. ED/PMS Reporting

F. ED/PMS Funding Controls Schedule
   1. Group Activity--Completing the Funding Controls Schedule

G. Adjustments
   1. Overview
   2. Current-Year Adjustments--Pell Grant
   3. Prior-Year Adjustments--Pell Grant

H. Group Activity--Completing the ED/PMS 272 Reports

I. Audits and Program Reviews

J. Workshop Evaluation (and Break)

Part II--Optional for Non-Participants in the Campus-Based Programs

K. Campus-Based Program Reporting

L. Fiscal Operations Report and Application to Participate

M. Group Activity--Completing the Electronic FISAP

N. Adjustments and the Campus-Based Programs
   1. Current-Year Adjustments--Campus-Based Programs
   2. Prior-Year Adjustments--Campus-Based Programs

MAIN OBJECTIVES

- Participants will describe the major reporting requirements for the Pell Grant program
- Participants will describe the major ED/PMS reporting requirements
- Participants will complete the ED/PMS reports
- Participants will apply a system of reconciling the ED/PMS reports to the general ledger
- Participants will complete key portions of the Fiscal Operations Report sections of the FISAP, based on typical information supplied to them which is designed to highlight important aspects and distinctions of the FISAP
- Participants will describe important restrictions to bear in mind while completing the Fiscal Operations Report sections of the FISAP

A. ORIENTATION TO SESSION 8

This session covers institutional reporting to the Department of Education for Title IV programs. Part I of this session covers major reporting requirements for the Pell Grant, Stafford Loan, SLS, SEOG, CWS, and Perkins programs.

Part II of this session covers the FISAP and reporting for the campus-based programs. This part of the session is *optional* for non-participants in the campus-based programs.

This session will help answer questions like:

- What are the main reporting requirements for the Title IV programs?
- How often must reports be submitted?
- How can I be sure the ED/PMS reports are completed correctly and agree with the general ledger?
- If already reported figures need changing, how is this done?
- What is the difference between audits and Title IV program reviews?
- What are the advantages of the electronic FISAP?

B. OVERVIEW OF TITLE IV REPORTING REQUIREMENTS

For more information, see *The Blue Book* Chapter 6.

Institutions must submit the following reports:

- Student Status Confirmation Report. Submitted twice a year.
  Title IV programs it must cover: ____________________
  ____
- Institutional Payment Summary (IPS) Report. Submitted 3 or 6 times a year.
  Title IV programs it must cover: ____________________
  ____

- ED/PMS--Payment Management System Report. Submitted quarterly.

  Title IV programs it must cover: ____________________

  ____

- Audit Report. Frequency of submission depends on type of institution.

  Title IV programs it must cover: ____________________

  ____

- FISAP (Fiscal Operations Report and Application to Participate). Submitted annually in September.

  Title IV programs it must cover: ____________________

  ____

These reporting requirements are summarized on the next page. This session will explain the required reports in more detail.

C. STAFFORD LOAN AND SLS PROGRAM REPORTING

For more information, see *The Blue Book* pages 219-221.

Schools have six main responsibilities for the Stafford Loan and SLS (Supplemental Loans for Students) programs:

1 certifying eligible students' loan applications, including determining need

2 receiving funds from lenders and delivering them to students

3 reporting students' enrollment status (or last date of enrollment) to guarantee agencies and lenders

4 reporting changes of address

5 making refunds/repayments to lenders as necessary

6 retaining loan records for five years after the last date of the period for which the loan is intended

For more information, see *The Blue Book* pages 25-28.

The guarantee agency sends a Student Status Confirmation Report to the institution, generally twice a year:*

- the school usually receives a Student Status Confirmation Report from each agency that has guaranteed a loan to a student for attendance at the school
- the report must be returned to the originating agency within 30 days of receipt

*However, depending upon the guarantee agency involved, it may be more than twice a year.

REPORTING REQUIREMENTS FOR TITLE IV PROGRAMS

		------------ CAMPUS-BASED ------------		
Pell Grant	**Stafford Loan, SLS, and PLUS**	**Perkins Loan**	**SEOG**	**CWS**
ED/PMS Each Quarter		ED/PMS Each Quarter	ED/PMS Each Quarter	ED/PMS Each Quarter
Institutional Payment Summary 3 times per year or 6 times per year				
	Student Status Confirmation Report At least twice per year As per guarantee agencies			
		FISAP Annually	FISAP Annually	FISAP Annually
Audit	Audit	Audit	Audit	Audit

NOTES AND REFERENCES

If students with Stafford, SLS, or PLUS loans change their enrollment status, this is normally reported on the next Student Status Confirmation Report. However, if the next Confirmation Report will not be filed within 60 days of the change, the institution must send change of enrollment information directly to the lender or guarantee agency.* Reminder: Timely reporting on student status is one of the items that will be examined during audits.

*Schools should use Individual Student Withdrawal notices for this purpose. Most guarantee agencies have these short forms.

D. PELL GRANT PROGRAM REPORTING

For more information, see *The Blue Book* pages 171-172.

There are 3 types of reports submitted by the institution for the Pell Grant program: the Institutional Payment Summaries (accompanied by students' Pell Payment Vouchers, if any), the ED/PMS quarterly reports, and audit reports.

The main function of the Institutional Payment Summary (IPS) report is to provide a summary of total Pell Grant disbursements. Each student has a Pell Payment Voucher on which the school records amount of total expected disbursements. For each Pell reporting period, a batch of Payment Vouchers is sent to ED along with an IPS which summarizes them (in the *manual* Pell reporting system). Even if there are no Payment Vouchers to date, institutions using the manual system always submit the IPS to ED.

For more information, see *The Blue Book* pages 174-183.

The minimum number of required IPS reports depends on the size of the institution's Pell authorization for the prior award year:

- under $750,000--3 reports per award year
- $750,000 or more--6 reports per award year

For more information, see *The Blue Book* page 174.

The deadline for the IPS report is the last day of the reporting period. For example, with a small Pell authorization, the first reporting period is July 1 through December 15. The IPS, with or without a batch of Payment Vouchers, must be submitted on or before December 15.

For more information, see *The Blue Book* page 172.

In addition to the *manual* system, there are three other methods of reporting Pell data:

- the Recipient Data Exchange, RDE
- the Floppy Disk Data Exchange, FDDE
- the Electronic Data Exchange, EDE

In these systems, IPS forms and Payment Vouchers need not be sent to ED, because equivalent data can be reported more conveniently through computer media.

All schools have until December 31* after the end of the award year to submit final correct Payment Voucher data.

E. ED/PMS REPORTING

The ED/PMS reports cover the use of Title IV funds in the Pell Grant and campus-based programs (SEOG, CWS, and Perkins Loan).

For detailed information on how to establish ledger accounts for each program that will be directly compatible with the PMS system, refer to Chapter 4 of *The Blue Book*. The linkages between the Chart of Account references and the line numbers on the ED/PMS reports should be apparent.

Several different ED/PMS reports are sent to institutions each quarter. Two of the reports must be completed and returned to ED: the ED/PMS 272 and ED/PMS 272-A. These two ED/PMS reports contain preprinted data from ED's records, which institutions can check against their own records. Institutions must also provide new payment data and indicate changes in previous data.

ED/PMS 272, Status of Federal Cash Report: Look at page 224 of *The Blue Book*. As you see, the ED/PMS 272 report shows:

- the total amount of federal funds advanced to the school during the quarter reported
- the net amount of federal funds disbursed by the school during the quarter reported
- the remaining amount of federal cash on hand

NOTES AND REFERENCES

For more information, see *The Blue Book* pages 176-181.

*This date is subject to change.

For more information, see *The Blue Book* pages 222-236.

ED/PMS 272 ***must*** be completed and returned to ED.

ED/PMS 272-A, Federal Cash Transaction Report: Look at page 227 of *The Blue Book.* As you see, the ED/PMS 272-A report shows:

- the open active awards for each authorized program
- the cumulative amount of each award
- previously reported cumulative expenditures

The new cumulative expenditures are updated by the institution each quarter and reflect the disbursements made during the quarter.

NOTES AND REFERENCES

ED/PMS 272-A ***must*** be completed and returned to ED.

ED/PMS 272-B, Statement of Cash Accountability: Look at page 230 of *The Blue Book.* This report, whose return to ED is optional, lists:

- previously reported information that was used to determine the amount of cash for which the institution is accountable
- payments received through ED/PMS during the quarter

The ED/PMS 272-B also serves as a reconciliation report, and is only returned to indicate to ED/PMS any advance-payment problems, such as incorrect amounts and non-receipt of advances.

ED/PMS 272-C, Error Correction Document: Look at page 232 of *The Blue Book.* This report:

- is optional
- provides the opportunity to correct erroneous data on the 272-A or 272-B

ED/PMS 272-F, Authorizations for Future Periods: Look at page 233 of *The Blue Book.* This report:

- lists awards for the next award year
- serves as a confirmation that awards shown on the Official Notice of Funding have been added to the ED/PMS system and may be drawn down at the beginning of the effective date

ED/PMS 272-G, Inactive Documents Report: Look at page 235 of *The Blue Book.* This report:

- lists inactive awards

- awards are listed until the awards are closed. Awards are closed by the awarding offices based on the institution's final reports after all data has been reviewed.

F. ED/PMS FUNDING CONTROLS SCHEDULE

An example ED/PMS Funding Controls Schedule is shown on the next page. It is an abbreviated example of one way to reconcile the ED/PMS report to the general ledger.

The ED/PMS Funding Controls Schedule is a good vehicle for reconciliation. It is also useful for explaining financial aid accounting, especially to outside auditors.

The schedule on the next page follows the account numbering system in *The Blue Book* except for Unexpended Grants, which represents two accounts--this simplifies explanation and reconciliation.

All cash activity is shown in one account. If your institution keeps cash for each Title IV program in a separate account, you will need separate ledger accounts, but a summary account is most helpful for this schedule. Each of the revenue and expense accounts is a summary of a more detailed subsidiary ledger.

For each quarter, there are four main steps in completing the schedule:

STEP 1: The first four entries shown, after the Balance Forward if any, are a debit to Grants Receivable and a credit to Unexpended Grants to set up each Title IV program authorization. The amounts of your grant awards--your Title IV authorizations--should be picked up from:

- your Pell Statement of Account
- your Official Notice of Funding letter for SEOG, CWS, and Perkins

ED/PMS FUNDING CONTROLS SCHEDULE

SAMPLE COLLEGE 1990-91

	Cash Control 1-1	Grants Receivable 1-2	Unexpended Grants 4-1 & 4-2	CWS		Pell		SEOG		Perkins		Total
Transactions				Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	
BAL FWD		21,000	(21,000)									
Grant Award-CWS		428,760	(428,760)									
Grant Award-Pell		1,597,450	(1,597,450)									
Grant Award-Perkins		69,757	(69,757)									
Grant Award-SEOG		273,542	(273,542)									
Cash Received 9/25	1,750,000	(1,750,000)										
Expenditures 9/30	(1,831,308)				102,726		1,526,325		132,500		69,757	
1st Qtr Funding			1,831,308	(102,726)		(1,526,325)		(132,500)		(69,757)		
Balance 9/30/90	(81,308)	640,509	(559,201)	(102,726)	102,726	(1,526,325)	1,526,325	(132,500)	132,500	(69,757)	69,757	0
Cash Received 10/5	768,700	(768,700)										
Cash Received 11/15	516,000	(516,000)										
Cash Received 12/23	150,000	(150,000)										
Pell Increase 11/18		1,050,000	(1,050,000)									
Pell Increase 12/23		26,440	(26,440)									
Expenditures 12/31	(1,311,614)				108,474		1,198,897		4,243			
2nd Qtr Funding			1,311,614	(108,474)		(1,198,897)		(4,243)				
Balance 12/31/90	41,778	282,249	(324,027)	(211,200)	211,200	(2,725,222)	2,725,222	(136,743)	136,743	(69,757)	69,757	0
Pell Increase 1/13												
Pell Increase 3/18												
Cash Received 1/10												
Cash Received 2/15												
Cash Received 3/15												
Expenditures 3/31												
3rd Qtr Funding												
Balance 3/31/91												

PMS 272 3/31/91 Cash on Hand

======

STEP 2: The next entry would usually be for the receipt of cash. Enter a debit to Cash Control, and credit Grants Receivable.

STEP 3: Next, record the quarter's expenditures. The sum of expenses recorded in the subsidiary ledgers for each program should be brought forward to this schedule as a debit for each program's Expense account. A credit for the total expenses for all programs should be posted to the Cash Control account.

STEP 4: Finally, record the first quarter funding of each program by debiting Unexpended Grants and crediting the Revenue account for each program.

These are the basic four types of steps in completing the schedule. However, if there are any increases or decreases in the original authorizations, Step 1 must be repeated. Examples of this are shown for the 2nd quarter.

- for example, to record an increase in the Pell authorization, enter a debit to Grants Receivable and a credit to Unexpended Grants

1. Group Activity–Completing The ED/PMS Funding Controls Schedule

Directions: You will have noticed that the ED/PMS Funding Controls Schedule on page 10 is only completed for the first two quarters, through 12/31/90. Look forward to page 15, and use the data from the Sample College Activity Record, Jan 1 - Mar 31, to fill out the 3rd quarter section of the Schedule. **Work with your group to complete the blank 3rd quarter part of the Schedule on page 10.** You have 10 minutes.

G. ADJUSTMENTS

For more information, see *The Blue Book* pages 237-245.

1. Overview

Records and reports of expenditures frequently must be amended as a result of various events:

- **institutional refunds**--payment by the school to a Title IV account when a student withdraws, drops out, or is expelled from school
- **student repayments**--payment by a student to a Title IV account when the student withdraws, drops out, or is expelled from school
- **recovery of funds**--recovering funds disbursed improperly in the form of an overpayment or payment to an ineligible student
- **required payment**--a disbursement made to a student who was underpaid in a previous payment period
- **institutional repayments**--payments made by the institution as a result of liabilities incurred from an audit or program review
- **errors**

2. Current-Year Adjustments--Pell Grant

For more information, see *The Blue Book* pages 237-238.

Adjustments are reported on ED/PMS 272 for the reporting period in which the adjustment was made.

You can continue to make "current-year" Pell Grant adjustments through December 31* following the end of the award year (June 30). Such adjustments will be considered to be part of the current year. For example, "current-year" adjustments for the 1990-91 award year can be made through December 31, 1991.*

*This date is subject to change.

Adjustments are shown on the student's Processed Payment Voucher or electronic data record either as recoveries or as increased disbursements:

- recoveries are the result of a reduction in the Amount Paid to Date when funds are repaid to the Pell Grant account
- increased disbursements are adjustments that increase the sum of the Amount Paid to Date and the Remaining Amount to be Paid

3. Prior-Year Adjustments--Pell Grant

For more information, see *The Blue Book* pages 238-240.

Under limited circumstances, institutions may adjust their prior-year Pell Grant accounts as a result of the following:

- a program review
- a federal or nonfederal audit
- a court order
- an overpayment
- verification cases referred to ED where the student has received partial or no payment and ED cannot complete verification in time to meet the December 31 deadline*

*This date is subject to change.

For procedures to be followed in making adjustments on the basis of program reviews, audits, or court orders, see *The Blue Book* pages 238-240.

When **underpayments** to students arising from one of the above exceed $100, ED will process adjustments once it has been determined and verified that the original and any subsequent corrected SARs were submitted within the required deadlines. *No new SARs or corrections will be accepted for adjustments.*

For **overpayments** arising from one of the above, institutions will usually remit such overpayments to ED by check since the ED/PMS account will have been closed. When sending checks to ED, be sure to include all the following information:

- your institution's Entity Number, as shown on any of your institution's ED/PMS Reports
- your institution's Pell Institution Number, as shown on any of your institution's Institutional Payment Summaries

- the Award Year and Fiscal Year
- the Obligation Document Number, as found on the prior-year ED/PMS 272-A in the "Federal Grant or Other Identification" column for the Pell Grant account
- the following message--"Pell Grant Refund--Not on ED/PMS 272 Report". This calls attention to the need to reopen this account.

If the account does not appear on the ED/PMS 272, no adjustment to the ED/PMS 272 should be made at this time.

Following the December 31 deadline,* adjustments due to overpayments may be reported directly to the ED program office in an Overpayment Adjustment Report, which must be submitted by the following December 31.* Specific data** must be submitted to the Pell office for each student overpaid. Your institution must retain the data for program review and/or audit purposes and to support the corresponding expenditure adjustments which will be reflected in a future ED/PMS 272 report you receive from ED.

*This date is subject to change.

**See page 239 of *The Blue Book* for details of the required data and the address to which the report must be sent.

H. GROUP ACTIVITY--COMPLETING THE ED/PMS 272 REPORTS

Directions: Use the information about Sample College and the completed ED/PMS Funding Controls Schedule:

1. to complete the ED/PMS 272-A Report on page 17
2. to complete the ED/PMS 272 Report on page 16

Work with your group to complete the forms. You have 20 minutes.

Sample College

The college participates in the Pell, Stafford Loan (formerly GSL), SEOG, CWS, and Perkins programs. This exercise is concerned with reporting on the *Pell Grant* and *Campus-Based* programs for the period indicated (Stafford Loan is excluded).

The cash on hand as of December 31, 1990 is $41,778. This was reported correctly on the previous 272 Report and also reconciled to the general ledger.

The period of activity is January 1 through March 31, 1991.

During this period:
- federal funds were requested and received
- disbursements were made

The following chart shows this activity.

Sample College Activity Record
Jan 1 - Mar 31, 1991

Date	Type	Received	Disbursed
Jan 10	Pell	$450,000	
Jan 10	SEOG	$ 15,000	
Jan 10	CWS	$ 60,000	
Jan	Pell		$449,748
Jan	SEOG		$ 15,272
Jan	CWS		$ 30,473
Feb 15	Pell	$200,000	
Feb 15	SEOG	$ 10,000	
Feb 15	CWS	$ 56,000	
Feb	Pell		$200,250
Feb	SEOG		$114,173
Feb	CWS		$ 36,435
Mar 15	Pell	$200,000	
Mar 15	SEOG	$ 6,500	
Mar 15	CWS	$ 55,000	
Mar	Pell		$190,645
Mar	SEOG		$ 6,355
Mar	CWS		$ 38,815

QUESTIONS

Question 1. Complete the ED/PMS 272-A Report on page 17. Fill out *only the numbered blanks (1 through 8).*

Question 2. Complete the ED/PMS 272 Report on page 16. Fill out *only the lines numbered 1-9.*

GROUP ACTIVITY--ED/PMS 272 TO BE COMPLETED

PMS 272

FEDERAL CASH TRANSACTIONS REPORT
STATUS OF FEDERAL CASH

PAGE 1
OMB NO. 1880-0172
(APPROVAL THROUGH 07/31/91)

PERIOD COVERED BY THIS REPORT:
01/01/91 - 03/31/91
USER CODE: F31
GENERAL ACCOUNT

PIN: PAN: EIN: 1362807536A1
ACH-PAY REGION: 05 STATE:

1. CASH ON HAND BEGINNING OF REPORTING PERIOD $_________________
2. TOTAL RECEIPTS (SEE STATEMENT OF CASH ACCOUNTABILITY FOR DETAILS) + _________________
3. TOTAL CASH AVAILABLE $_________________
4. NET DISBURSEMENTS (FROM PMS 272-A) - _________________
5. ADJUSTMENTS OF PRIOR PERIODS (SEE STATEMENT OF CASH ACCOUNTABILITY FOR DETAILS) + _________________
6. CASH ON HAND END OF PERIOD (line 3, less line 4, plus or minus line 5) $_________________
7. THE AMOUNT SHOWN ON LINE 6, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING_____DAYS (NUMBER)

OTHER INFORMATION

8. INTEREST INCOME $_________________
9. ADVANCES TO SUBGRANTEES OR SUBCONTRACTORS $_________________

AUTHORIZED CERTIFYING OFFICIAL

I CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT THIS REPORT IS TRUE IN ALL RESPECTS AND THAT ALL DISBURSEMENTS HAVE BEEN MADE FOR THE PURPOSE AND CONDITIONS OF THE GRANT OR AGREEMENT.

SIGNATURE____DATE REPORT SUBMITTED________________________

TYPED OR PRINTED NAME AND TITLE ____

TELEPHONE: (Area Code)_____________(Number)_______________________________(Extension)_______________

```
****************************************
*  The PMS contact point who is        *
*  responsible for your account is     *
*  JOYCE WALKER              , or      *
*  staff at:  (202) 401-1119           *
*  RETURN THE COMPLETED REPORT TO:     *
*   DEPARTMENT OF EDUCATION            *
*   FINANCIAL MANAGEMENT SERVICE       *
*   DIVISION OF FINANCIAL OPERATIONS   *
*   PROGRAM FINANCING BRANCH           *
*   400 MARYLAND AVENUE, S.W.          *
*   WASHINGTON, DC. 20202-4723         *
****************************************
```

GROUP ACTIVITY–ED/PMS 272-A TO BE COMPLETED

PMS 272-A

FEDERAL CASH TRANSACTION REPORT

PAGE 2
ED - PMS

PERIOD COVERED BY THIS REPORT:
01/01/91 - 03/31/91
GENERAL ACCOUNT

PAN:
EIN: 1362807536A1
ACH-PAY
REGION: 05 STATE:

REPORT *LINE* *ITEM*	FEDERAL GRANT OR OTHER ****IDENTIFICATION**** **********(a)**********	RECIP A/C OR OTHER ID NO ****(b)*****	AUTHORIZED **AMOUNT** ***(c)****	***FEDERAL SHARE OF NET DISBURSEMENTS*** CUM THRU 12/31/90 ********(d)********	**CUM THRU 03/31/91** *********(e)*********
0001	E-P063P00859	90/91 PELL	4,083,117.00	2,725,222.00	①
AWARD CHG:	P063P00859	ON 01/13/91	$ 87,402.00		
	P063P00859	ON 03/18/91	1,321,825.00		
0002	E-P038A00459	90/91 PERKINS	69,757.00	69,757.00	②
0003	E-P033A00459	90/91 CWS	428,760.00	211,200.00	③
0004	E-P007A00459	90/91 SEOG	273,542.00	136,743.00	④
	SUB-TOTAL		4,855,176.00	3,142,922.00	⑤

PLEASE ENTER DOCUMENTS MISSING FROM ABOVE (COPY OF AWARD DOCUMENT MUST BE ATTACHED):

TOTALS			⑥	⑦

NET DISBURSEMENTS (column e minus column d) MUST CORRESPOND WITH AMOUNT SHOWN ON PMS 272 LINE 4 ⑧

In the previous exercise, you worked with the ED/PMS Funding Controls Schedule and the PMS Report. There is a close relationship between the Funding Controls Schedule and the PMS 272 and 272-A.

First, cumulative expenditures for each program on the PMS 272-A should tie to the control totals from each summary expense account.

Next, the Net Disbursements on the PMS 272-A, also carried forward to the PMS 272, should be the same amount as the credit entry to the Cash Control account for the quarterly expenditures and the debit to Unexpended Grants--an amount which is offset by the "Funding" entries to each program account.

The Cash Control balance at the end of each quarter should tie exactly to Cash on Hand as shown on the PMS 272 Report.

Also, the Total Authorized Amount as shown on the PMS 272-A should tie to the Grants Receivable total on the Funding Controls Schedule, which has been adjusted to back out all cash and closed grants if applicable.

Finally, if ledger accounts are kept to match the Grants Receivable and Unexpended Grants accounts on the Schedule, then the net of these two at any time represents what ED owes your institution or what you owe ED. For example, in the previous exercise, at 3/31/91 Sample College has collected but not yet spent $12,112, and therefore technically "owes" this amount to ED. Sample College has 3 days to expend this amount. If not expended, the funds should be returned to ED.

I. AUDITS AND PROGRAM REVIEWS

For more information, see *The Blue Book* pages 246-256.

1. Audits

There are two types of audits:

- **federal audits,** which are initiated and conducted by ED
- **nonfederal audits,** which must be conducted by an independent accountant*

In both types of audits, institutions are required to provide access to institutional and program records.

*Questions on an auditor's qualifications may be directed to the Office of the Regional Inspector General for Audit--see *The Blue Book* Appendix D, page D-5 for the office that serves your state.

There are three types of nonfederal audit methods:

- A-128 Audits (governed by OMB Circular A-128)--these audits are required annually (with certain exceptions based on state laws or constitutions)
- A-133 Audits (governed by OMB Circular A-133)--these audits "shall usually be performed annually but not less frequently than every 2 years"
- audits governed by the ED publication: *Audit Guide: Audits of Student Financial Assistance Programs*--these audits may be performed annually or every two years (if biennial, they must cover the total two-year period)

For ordering information on the Audit Guide, see *The Blue Book* Appendix C, page C-7.

Of the three audit methods, the required type depends on the type of institution:

- public institutions can use either the A-128 or A-133 process
- nonprofit institutions must use the A-133 method
- for-profit institutions must follow ED's *Audit Guide* process

An audit report may include the following items:

- financial statements pertaining to the institution as a whole or only the institution's activity for the student financial aid programs under Title IV, and a schedule of award disbursements and expenditures for each Title IV program

- the auditor's conclusion on whether internal accounting controls and other control systems provide reasonable assurance that it is managing these Title IV programs in compliance with laws and regulations
- the auditor's opinion on whether the institution's student aid operations comply with the law and program regulations
- the auditor's comments on any prior program review or audit resolutions relating to the Title IV programs
- the institution's Corrective Action Plan, which must be on institutional letterhead

The institution is required to respond to the audit report:

- a response is expected to each finding, explaining how the finding is being resolved
- the institution may disagree with a finding
- the institution should explain both specific corrective actions and systematic corrective actions that have been implemented

Auditors performing an A-128 Audit or an audit under ED's *Audit Guide* are required to include all findings in the Audit Report sent to the ED Regional Office of the Inspector General.* In audits performed under OMB Circular A-133, only material noncompliance conditions must be reported to ED.* Non-material findings should be reported in a separate letter to management officials of the school.

*For the addresses of ED's 3 Regional Offices of the Inspector General, see Appendix D, page D-5 of *The Blue Book*.

ED reviews the audit report, and may:

- agree with audit findings and the institution's responses
- modify the auditor's recommendations
- seek additional institutional information

As a result of the audit, ED may require administrative actions such as:

- revising the institution's administrative procedures
- reconstructing documentation
- implementing corrective action

ED may also take financial actions such as:

- assessing a liability for improperly expended federal funds and requiring the institution to repay them
- imposing fines, or limiting, suspending, or terminating the school's participation in Title IV programs

Once all items have been resolved, the school will receive a letter from ED officially closing the audit--the Program Determination Letter (PDL).

Preparing for an audit (or program review) requires the coordination of all the offices involved in the administration of Title IV programs--the Business Office, Financial Aid Office, Loan Collections Office, etc.

2. Program Reviews

Program reviews are performed by federal and/or guarantee agency officials.* Their purpose is to:

- evaluate management of student aid programs
- ensure compliance with law and program regulations
- provide technical assistance to the institution**
- identify problem areas in the school's administration of Title IV programs

ED and/or guarantee agencies identify and select institutions at which they will perform program reviews. Schools will generally be notified in advance to give them time to prepare for the review. However, sometimes ED and guarantee agencies may conduct unannounced program reviews of schools.

When performed by guarantee agency officials, program reviews will cover only the Stafford Loan, SLS, and PLUS programs. Program reviews do not eliminate the requirement for regulatory audits. The responses to findings and possible actions are essentially the same as with audits.

For more information, see *The Blue Book* pages 251-253.

*Guarantee agency reviews are limited to the Stafford, SLS, and PLUS programs.

**This assistance supplements the preventive training offered by ED and other organizations.

J. WORKSHOP EVALUATION

Please complete and return the workshop evaluation form.

PART II--REPORTING ON THE SEOG, CWS, AND PERKINS LOAN PROGRAMS

THIS PART OF SESSION 8 IS OPTIONAL FOR NON-PARTICIPANTS IN THE CAMPUS-BASED PROGRAMS.

K. CAMPUS-BASED PROGRAM REPORTING

For more information, see *The Blue Book* page 186-187.

There are three main types of reporting for the SEOG, CWS, and Perkins Loan programs:

- ED/PMS reports--every quarter
- the FISAP--once a year
- audit reports--at least once every 2 years

Procedures for the campus-based sections of the ED/PMS reports and audit reports are the same as for the Pell Grant program.

However, the FISAP--Fiscal Operations Report and Application to Participate--is an important responsibility specifically for the campus-based programs.

L. FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE

For more information, see *The Blue Book* pages 187-219.

The FISAP contains six parts, as shown in the overview on the next page.

OVERVIEW OF THE FISAP

Part I - Identifying Information, Certifications, and Warning (*Blue Book* page 215)

- Section A - Identifying Information
- Section B - Certifications and Warning

Part II - Application to Participate (*Blue Book* pages 216-217)

- Section A - Request for Funds
- Section B - CWS/SEOG Institutional Share Waiver Request
- Section C - Information on Enrollment
- Section D - Assessments and Expenditures
- Section E - Information on Eligible Aid Applicants for Award Year

Part III - Perkins Loan Fiscal Operations Report (*Blue Book* pages 207-209)

- Section A - Fiscal Report (cumulative) as of June 30
- Section B - Fund Activity (Annual) During the Award Year
- Section C - Cumulative Repayment Information as of June 30

Part IV - Supplemental Educational Opportunity Grant Fiscal Operations Report (*Blue Book* page 189)

- Section A - Federal Funds Authorized for SEOG
- Section B - Federal Funds Available for SEOG Expenditures
- Section C - Total Grants to Students
- Section D - Federal Funds Spent for SEOG Program
- Section E - Use of Federal SEOG Authorization
- Section F - Miscellaneous Information

Part V - College Work-Study Program Fiscal Operations Report (*Blue Book* pages 195-196)

- Section A - Federal Funds Authorized for CWS
- Section B - Federal Funds Available for CWS Expenditures
- Section C - Total Compensation for CWS
- Section D - Funds Spent from Federal Share of CWS
- Section E - Use of Federal CWS Authorization
- Section F - Miscellaneous Information
- Section G - Information about the Job Location and Development Programs

Part VI - Fiscal Operations Report Program Summary (*Blue Book* pages 211-212)

- Section A - Distribution of Program Recipients and Expenditures by Type of Student
- Section B - Calculating the Administrative Cost Allowance

The FISAP Parts III through VI make up a fiscal operations report, with a section for each campus-based program and an overall program summary.

Completing the FISAP report requires accurate, detailed accounting information. The task can be greatly simplified if your chart of accounts and student master records are designed with the FISAP in mind.

The account structure in Chapter 4 of *The Blue Book* is one recommended approach. If you use this structure, Chapter 6 of *The Blue Book* explains in step-by-step fashion how to use information from your accounts in completing the FISAP.

For more information, see *The Blue Book* pages 187-212.

ED mails the Electronic FISAP to schools by August 1, including detailed instructions on how to complete it. The FISAP must be submitted to ED in September each year.

For more information, see *The Blue Book* pages 214 and 218-219.

As of 1991, the Electronic FISAP is the standard—the paper FISAP will no longer be used. The Electronic FISAP offers a number of advantages, including:

- error reduction
- later deadline for filing, as compared with the old paper FISAP
- faster and more accurate processing
- earlier issuance of tentative and final allocations

To submit the Electronic FISAP, most institutions use an IBM or IBM-compatible personal computer (mainframe computers may also be used). The computer should have either two floppy disk drives or one floppy and one hard drive. The rest of this discussion will focus on the Electronic FISAP version for personal computers with 2 floppy disk drives.

The Electronic FISAP package you receive from ED contains:

- 2-3 program diskettes*
- 1 data diskette, with information specific to your school already entered on it

*The number of diskettes depends upon the size of the diskettes used: $5^1/_4$ or $3^1/_2$ inch diskettes.

Electronic FISAP application data is edited at your own computer. Many edits are built into the computer program:

- general edits--for example, checking that the column total that you have entered is actually equal to the sum of the individual entries
- institution-specific edits, such as automatic crosschecking with your school's prior-year information that is included on the data diskette

As with many computer programs, one of the hardest parts of using the Electronic FISAP is getting started. In this process, you will need your own blank, formatted diskettes to make working copies of the ED diskettes.

If you are not thoroughly familiar with your PC, you may want to ask for some assistance from a computer literate friend. One useful general rule is that you must press **enter** to show that you have finished typing in a number, word, *etc*.

Once you are past the "getting started" steps, using the Electronic FISAP becomes much easier. You begin work by turning on the computer with your own working copies of Program Disk 1 in Drive A and your institution-specific Data Disk in Drive B.

The program is "menu driven"--you just choose from the menu of options when you need to make a decision. For example, the Main Menu is shown below:

```
<1>  Enter\Edit\Display             FISAP FORM
<2>  Print                          FISAP SCREEN
<3>  Print                          FISAP FORM
<4>  Sending             Completed  FISAP DATA
<5>  Validate                       FISAP FORM
<6>  Setup                          FISAP
<7>  Update                1990-91  FISAP AWARD
<8>  Loading next                   FISAP SCHOOL
     (For multiple institutions users)
```

The Electronic FISAP can be submitted to ED by mailing the completed data diskette (or magnetic tape from mainframe computers) or by modem transmission. You must also complete, sign, and mail to ED:

- the executed signature page of the FISAP
- the Debarment Certification Form
- the Drug-Free Workplace Certification Form

M. GROUP ACTIVITY--COMPLETING THE FISAP

Question 1: Use the information about Sample College to complete Part IV of the FISAP. Work with your group to complete the form. You have 10 minutes.

Note: If you need help, there are some hints on how to complete this activity on page 32.

Sample College

Sample College, located in Beltway, Maryland, has just completed the 1990-91 award year, which ended June 30, 1991, and is ready to complete Parts IV and V of the FISAP (Part IV - SEOG; Part V - CWS). Note that Sample College:

- has a JLD program and a regular CWS program
- takes 5% ACA from the program in which it was earned

NOTES AND REFERENCES

SEOG Data

SEOG authorization* for 1990-91	$273,542.00
Transferred from CWS (July 1, 1990)	$ 42,876.00
Amount disbursed to students	$327,019.00
Sample College's *budgeted* share of grants	$ 33,000.00
No prior-year recoveries	

*Final adjusted authorization

CWS Data

CWS authorization* for 1990-91	$428,760.00
Transferred to SEOG (July 1, 1990)	$ 42,876.00
1989-90 CWS funds carried forward to 1990-91	$ 21,000.00
1990-91 CWS funds carried forward to 1991-92	$ 17,931.00
Student earnings in 1990-91 (all on-campus)	$497,471.00
Total cost for JLD Program	$ 27,000.00
Sample College *budgeted* share of CWS	$130,000.00
Number of students for whom jobs were located or developed	166

*Final adjusted authorization

Now, complete the FISAP Part IV on the next page. After you complete it, we will discuss the answers.

Fiscal Operations Report

Part IV. Supplemental Educational Opportunity Grant Program (SEOG)

For Award Year July 1, 1990 Through June 30, 1991

Section A. Federal Funds Authorized for SEOG

1. Final Adjusted SEOG Authorization ________ date of adj. $ ____________

Section B. Federal Funds Available for SEOG Expenditures

2. CWS Funds Transferred to and Spent in SEOG + $ ____________
3. SEOG Funds Transferred to and Spent in CWS - $ ____________
4. Funds Available (Lines 1 + 2 - 3) $ ____________

Section C. Total Grants to Students

5. Total SEOG Disbursements to Students $ ____________
6. Institutional Share of Disbursements to Students (10% of line 5) $ ____________

Section D. Federal Funds Spent for SEOG Program

7. Federal Share of SEOG Disbursements to Students (90% of line 5) $ ____________
8. Administrative Cost Allowance Claimed + $ ____________
9. Funds Spent (Lines 7 + 8) $ ____________

Section E. Use of Federal SEOG Authorization

10. Expended SEOG Authorization (Line 3 + Line 9 - Line 2) $ ____________
11. Unexpended SEOG Authorization (Line 1 - Line 10) (cannot be negative) $ ____________

Section F. Miscellaneous Information

12. Prior Year Recoveries (if any portion of this entry is applicable to one or more open awards in your ED/PMS account, mark box with an X. ☐) $ ____________

Question 2: Use the information about Sample College to complete Part V of the FISAP on the next two pages of this guide. Work with your group to complete the form. You have 10 more minutes.

Reminder: If you need help, there are some hints on how to complete this activity on page 32.

Fiscal Operations Report

Part V. College Work-Study Program (CWS)

For Award Year July 1, 1990 Through June 30, 1991

Section A. Funds Authorized/Released for CWS

1. Final Adjusted CWS Authorization ________ date of adj. $ ____________

Section B. Funds Available for CWS Expenditures

2. SEOG Funds Transferred to and Spent in CWS + $ ____________
3. CWS Funds Transferred to and Spent in SEOG - $ ____________
4. 1991-92 Funds Carried Back and Spent in 1990-91 + $ ____________
5. 1989-90 Funds Carried Forward and Spent in 1990-91 + $ ____________
6. 1990-91 Funds Carried Forward to be Spent in 1991-92 - $ ____________
7. 1990-91 Funds Carried Back and Spent in 1989-90 - $ ____________
8. Total Funds Available for 1990-91 (Lines 1 + 2 - 3 + 4 + 5 - 6 - 7) $ ____________

Section C. Total Compensation for CWS

9. Total Earned Compensation for Regular CWS Jobs $ ____________
10. Total Earned Compensation for Community Service Learning Program Jobs + $ ____________
11. Total Earned Compensation for Total CWS Program (Line 9 + Line 10) $ ____________
    a. On-campus expenditures $ ________
    b. Off-campus expenditures at public or private non-profit agencies $ ________
    c. Off-campus expenditures in the private (for profit) sector $ ________
12. Total Institutional Share of Earned Compensation $ ____________

Fiscal Operations Report Part V. 7/1/90 to 6/30/91

Section D. Funds Spent from Federal Share of CWS

13. Total Federal Share of CWS Disbursements to Students (Both Regular and Community Service Learning Program) $ ________
    a. Compensation at Federal Share not to exceed 70% $ ________
    b. Off-campus private (for profit) sector compensation at Federal Share not to exceed 50% $ ________
    c. Community Service Learning Program compensation at Federal Share not to exceed 90% $ ________

14. Administrative Cost Allowance Claimed for Regular CWS Program + $ ________

15. Administrative Cost Allowance Claimed for CSLP (May Not Exceed 10% of Line 10) + $ ________

16. Total Federal Share of Job Location and Development Program Expenditures + $ ________
    a. Regular JLD Program expenditures: the lesser of $30,000 or 10% of (the sum of your 1990-91 original and supplemental authorizations, plus lines 4 and 5 of Part V). $ ________
    b. JLD Program expenditures for CSLP: the lesser of $20,000 or 10% of (the sum of your 1990-91 original and supplemental authorizations, plus lines 4 and 5 of Part V). $ ________

17. Total Federal Funds Spent for CWS (Sum of Lines 13 through 16) $ ________

Section E. Use of CWS Authorization

18. Expended CWS Authorization (Lines 3 + 6 + 7 + 17) minus (Lines 2 + 4 + 5) $ ________

19. Unexpended CWS Authorization (Line 1 - Line 18) $ ________

Section F. Miscellaneous Information

20. Prior Year Recoveries $ ________

Section G. Information About the Job Location and Development Programs

21. Total Expenditures for the Job Location and Development Programs $ ________
    a. Regular JLD Expenditures $ ________
    b. CS/JLD Expenditures $ ________

22. Institutional Expenditures for the JLD Programs - $ ________

23. Federal Share of JLD Program Expenditures (Line 21 minus 22; Line 23 Must Equal Section D, Line 16) $ ________
    a. Regular JLD Expenditures $ ________
    b. CS/JLD Expenditures $ ________

24. Number of Students for Whom Jobs Were Located or Developed ________

25. Total Earnings of the Students in Line 24 Above $ ________

HINTS FOR "COMPLETING THE FISAP" ACTIVITY

HINTS for completing ***Part IV - SEOG***

1. Round to whole dollars.
2. To compute **maximum administrative allowance** that can be claimed:

   multiply the amount disbursed to student by 5%
3. Use **#9** to complete **#4 and #2**.

ASK: **Were all the funds that were transferred from CWS disbursed to students?**

If the answer is **"no"**: calculate the unused portion of the transferred CWS funds and return them to CWS.

Adjust the CWS amount transferred and spent in SEOG and enter.

HINTS for completing ***Part V - CWS***

1. Complete Section A first.
2. Calculate the final amount of funds transferred and spent in SEOG. Record in Section B of Part IV, SEOG.
3. Enter CWS funds carried forward from 1989-90.
4. Funds carried forward from 1990-91 to 1991-92 - leave **blank for now.**
5. Multiply **total JLD expenditures** (#21) by 20%. Put in #22.
6. Calculate **JLD federal expenditures**. Put in #23 and #16.
7. Multiply **total earned compensation** (#9) by 70%. Put in #13 and #13a (because Sample College has only one kind of student earnings).
8. Calculate **administrative cost allowance** (#14) by multiplying **total earned compensation** (#9) by 5%. Round to whole dollars.
9. Calculate what should be carried forward to 1991-92. Follow these steps:
   - Start with **final adjusted authorization** (#1).

Subtract:	CWS funds transferred to and spent in SEOG (#3)
	1990-91 funds carried back and spent in 1989-90 (#7)
	total federal funds spent for CWS (#17)
Add:	SEOG funds transferred and spent in CWS (#2)
	1991-92 funds carried back and spent in 1990-91 (#4)
	1989-90 funds carried forward and spent in 1990-91 (#5)
Result:	1990-91 funds to be carried forward to be spent in 1991-92 (#6)

Now you are able to do the following: Calculate total funds available for 1990-91 (#8)

N. ADJUSTMENTS AND THE CAMPUS-BASED PROGRAMS

For more information, see *The Blue Book* pages 238 and 240-245.

1. Current-Year Adjustments

For more information, see *The Blue Book* page 238.

Campus-based program adjustments for the same award year are reflected on the FISAP simply by netting the total year-end disbursement figures.

If the "edit check" verification of the FISAP has been submitted, the revised expenditures should be reflected on the edit check.

2. Prior-Year Adjustments

For more information, see *The Blue Book* pages 240-245.

Adjustments for the campus-based programs vary depending on:

- whether the institutional account appears on the ED/PMS report
- which program is involved

2a. Adjustments for Accounts which Appear on the ED/PMS Report

For the SEOG and CWS programs, adjusted expenditures for the award year in which CWS or SEOG funds were advanced must be reflected by entering the amount of adjusted net disbursements in Column (e) on the ED/PMS 272-A for the award authorization(s). If the award is not reflected on the ED/PMS 272-A as an open and active account, but is listed on ED/PMS 272-G as an inactive account, it must be reactivated by listing it in the "Missing Documents" section of the ED/PMS 272-A.

Cash handling: Funds recovered should be restored to the accounts from which they were disbursed. For SEOG and CWS, this action increases the institution's federal cash on hand and reduces its ability to draw federal cash in the current year.

Program reporting: A letter identifying the program, award year from which funds were disbursed, and the amount of the adjustment must be sent to the appropriate address. See *The Blue Book* Chapter Six.*

*The mailing address is on page 241.

FISAP reporting: The amount of the recovery should also be reported on the fiscal operations reports for the award year in which the money was received. These amounts should be reported as "prior year recoveries" under miscellaneous information.

Example of adjustment: Reporting CWS carry forward on the ED/PMS 272 Report. When Education University returned the previous ED/PMS Report for 4/1/90 through 6/30/90, it reported a CWS cumulative federal share of $46,271.07 (as of 6/30/90). The CWS authorization for 1989-90 was $48,327.00, so $2,055.93 had not been expended at the end of award year. Education University plans to carry this forward to the 1990-91 award year. Therefore, it makes awards to students during July, August, and September from the old CWS authorization (as well as from the new CWS authorization). The report shown in overhead 20 is the first for the new 1990-91 award year, so the new CWS authorization is listed on the 272-A with a zero cumulative federal share. The old CWS authorization is no longer active, so instead of appearing on the 272-A, it is listed on the 272-G (Inactive Documents). To report the expenditures against the prior year authorization, Education University must now reactivate the old CWS authorization by writing it in the "Missing Documents" area. The new cumulative federal share of $48,327.00 is reported in Column (e), showing that the old authorization is now fully expended as of 9/30/90.

2b. *Adjustments for Accounts which Do Not Appear on the ED/PMS Report*

If the SEOG or CWS award authorization has been removed from the ED/PMS 272 Report, all subsequent transactions must be administered through ED's Financial Management Service (FMS).

Cash handling: A check must be sent for the recovered amount along with a cover letter which provides the following:

- Entity Identification Number
- Payment Identification Number
- Program name–if SEOG, indicate IY (Initial Year) or CY (Continuing Year) if funds are from 1986-87 or an earlier award year
- Award Year
- Amount of Adjustment
- Obligation Document Number
- Appropriation Number (9-digit code)
- Common Accounting Number (CAN)
- Object Classification Code (O.C.C.)

Note: Since most of the above pertain to accounting data, the school may send a copy of the award document. See *The Blue Book* Chapter Six for the mailing address.*

*The mailing address is on page 242.

Program reporting: A cover letter should accompany any report in which recoveries are included.

FISAP reporting: The amount recovered should always be reported on the FISAP for the award year in which the recovery was received. These amounts should be reported as "prior year recoveries" under miscellaneous information.

2c. Perkins Loan Adjustments

ED/PMS reporting: Once federal cash has been "identified" as Perkins Loan cash and the Institutional Capital Contribution has been deposited, it is considered to have been "spent." Therefore, disbursements from or repayments to the Perkins Loan Fund are not reported to ED/PMS and do not impact on the institution's ability to draw additional Perkins Loan funds from ED/PMS up to the limit of its annual allocation of new Federal Capital Contribution.

Perkins cash handling: All collections, reimbursements, refunds, and other recoveries against Perkins Loans are returned to the Perkins Loan Fund and become available for re-lending and other uses authorized by regulation. There are two exceptions to this:

- Reimbursements received from ED for the institutional share of *Defense* Loan teacher and military cancellations may be deposited into the institution's General Fund or in the Perkins Loan Fund for re-lending. (However, note that reimbursements received from ED for the institutional share of *Direct* Loan teacher and military cancellations *must* be deposited into the Perkins Loan Fund for re-lending.)
- For loans made after July 1, 1988, collections on late charges assessed during the billing period may be deposited in an institutional fund.*

***However, if the school has charged the Fund for telephone calls, according to Section 674.43(f) of the Perkins Loan regulations, the late charge revenues must be deposited into the Fund up to the amount of such charges.**

Perkins Loan program reporting: Revised reports are not required for the award year in which funds were originally disbursed.

Recoveries will affect the year-end account balances for the award year of the recovery and, therefore, must be reported in the FISAP (Part III, Perkins Loan Program--cumulative) of that year by increasing the Cash on Hand and decreasing Funds Advanced to Students and, when applicable, the Administrative Cost Allowance. The Cumulative Repayment Section will also reflect reductions in amounts loaned and outstanding.

2d. Administrative Cost Allowance Adjustments

An institution recovering funds disbursed from a prior year, which claims the *full* amount of the ACA during the year, must adjust the ACA for that prior award year. The school must repay the amount of the ACA taken on that portion of funds subsequently repaid to the program accounts. However, schools that do not claim the full amount of ACA may not need to make such repayments.

If the award authorization is listed on the ED/PMS 272 Report, the school must adjust the expenditures and list the ACA repayment.

Note: Help with specific adjustment problems may be obtained through the ED/PMS Accountant or Technician listed for the state in which your school is located--see *The Blue Book* Appendix D, pages D-6 and D-7.

SUMMARY

- In this session, we looked at:
    - Stafford Loan, SLS, and PLUS program reporting, through Student Status Confirmation Reports
    - Pell Grant program reports, including the Institutional Payment Summary, ED/PMS reports, and audit reports
    - the different types of ED/PMS quarterly reports, including how to complete the two reports that are always returned to ED--the 272 and 272-A
    - reconciling the ED/PMS reports to the general ledger using a funding controls schedule
    - reports arising out of audits and program reviews
    - the Fiscal Operations Report and Application to Participate in the campus-based programs (FISAP)
    - the Electronic FISAP
    - how to complete the FISAP
    - making adjustments to reports, including current and prior year adjustments in the Pell Grant and campus-based programs

For further information on the topics covered in this session, see *The Blue Book* Chapter 6.

================END OF SESSION 8=============

STUDENT STATUS CONFIRMATION REPORT

- Submitted at least twice per year
  - -- depends on guarantee agency--may be more than twice
- Covers these major Title IV programs:
  - -- Stafford, SLS, and PLUS

Institutional Payment Summary (IPS) Report

- Submitted 3 or 6 times a year
- Covers these major Title IV programs:
  - -- Pell ***only***

ED/PMS--
Payment Management System Report

- Submitted quarterly
- Covers these major Title IV programs:
  - Pell
  - SEOG, CWS, and Perkins

NONFEDERAL AUDIT

- Frequency of submitting audit report depends on type of audit
- Covers these major Title IV programs:
  - -- Pell
  - -- Stafford, SLS, and PLUS
  - -- SEOG, CWS, and Perkins

FISAP
(Fiscal Operations Report and Application to Participate)

- Submitted annually in September
- Covers these major Title IV programs:
  - -- SEOG, CWS, and Perkins

ED/PMS FUNDING CONTROLS SCHEDULE

FIRST QUARTER, LEFT-HAND SIDE OF SCHEDULE

				CWS	
Transactions	*Cash Control 1-1*	*Grants Receiv. 1-2*	*Unexpen. Grants 4-1 & 4-2*	*Revenue 6-1*	*Expense 7-1*
BAL FWD		21,000	(21,000)		
Grant Award-CWS		428,760	(428,760)		
Grant Award-Pell		1,597,450	(1,597,450)		
Grant Award-Perkins		69,757	(69,757)		
Grant Award-SEOG		273,542	(273,542)		
Cash Rec'd 9/25	1,750,000	(1,750,000)			
Expenditures 9/30	(1,831,308)				102,726
1st Qtr Funding			1,831,308	(102,726)	
Balance 9/30/90	(81,308)	640,509	(559,201)	(102,726)	102,726

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ED/PMS FUNDING CONTROLS SCHEDULE

FIRST QUARTER, RIGHT-HAND SIDE OF SCHEDULE

	Pell		*SEOG*		*Perkins*		
Transactions	*Revenue 6-1*	*Expense 7-1*	*Revenue 6-1*	*Expense 7-1*	*Revenue 6-1*	*Expense 7-1*	*Total*
BAL FWD							
Grant Award-CWS							
Grant Award-Pell							
Grant Award-Perkins							
Grant Award-SEOG							
Cash Rec'd 9/25							
Expenditures 9/30		1,526,325		132,500		69,757	
1st Qtr Funding	(1,526,325)		(132,500)		(69,757)		
Balance 9/30/90							-0-

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ANSWERS TO FUNDING CONTROLS SCHEDULE ACTIVITY

THIRD QUARTER, LEFT-HAND SIDE OF SCHEDULE

				CWS	
Transactions	*Cash Control 1-1*	*Grants Receiv. 1-2*	*Unexpen. Grants 4-1 & 4-2*	*Revenue 6-1*	*Expense 7-1*
Pell Increase 1/13		87,402	(87,402)		
Pell Increase 3/18		1,321,825	(1,321,825)		
Cash Rec'd 1/10	525,000	(525,000)			
Cash Rec'd 2/15	266,000	(266,000)			
Cash Rec'd 3/15	261,500	(261,500)			
Expenditures 3/31	(1,082,166)				105,723
3rd Qtr Funding			1,082,166	(105,723)	
Balance 3/31/91	12,112	638,976	(651,088)	(316,923)	316,923

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ANSWERS TO FUNDING CONTROLS SCHEDULE ACTIVITY

THIRD QUARTER, RIGHT-HAND SIDE OF SCHEDULE

	Pell		*SEOG*		*Perkins*		
	Revenue	*Expense*	*Revenue*	*Expense*	*Revenue*	*Expense*	
Transactions	*6-1*	*7-1*	*6-1*	*7-1*	*6-1*	*7-1*	*Total*
Pell Increase 1/13							
Pell Increase 3/18							
Cash Rec'd 1/10							
Cash Rec'd 2/15							
Cash Rec'd 3/15							
Expenditures 3/31		840,643		135,800			
3rd Qtr Funding	(840,643)		(135,800)				
Balance 3/31/91	(3,565,865)	3,565,865	(272,543)	272,543	(69,757)	69,757	-0-

599

598

PMS 272-A

	Federal Share of Net Disbursements	
	Cum thru 12/31/90	*Cum thru 3/31/91*
Pell		❶ $3,565,865.00
Perkins		❷ $69,757.00
CWS		❸ $316,923.00
SEOG		❹ 272,543.00
Sub-Total		❺ 4,225,088.00
Totals	❻ 3,142,922.00	❼ 4,225,088.00
Net Disbursements		❽ 1,082,166.00

PMS 272

Cash on hand at start of reporting period	
Pell + SEOG + CWS + Perkins	$ 41,778.00
Total Receipts	1,052,500.00
Total Cash Available	1,094,278.00
Net Disbursements	-1,082,166.00
Adjustments	0
Cash on hand at end of reporting period	12,112.00
Cash requirements for:	
the answer here could be 1, 2, or 3 days	
Interest Income	0
Advances	0

FISAP PART SELECTION MENU

<1>	Part I.	Identifying Information, Certifications, & Warning
<2>	Part II.	Application to Participate
<3>	Part III.	Perkins Loan Program (Sections A & B)
<4>	Part III.	Perkins Loan Program (Section C)
<5>	Part IV.	SEOG Program
<6>	Part V.	CWS Program
<7>	Part VI.	Program Summary

FISAP PART IV: SEOG

1.	Final adjusted SEOG authorization	$273,542
2.	CWS transferred to & spent in SEOG	37,126
3.	SEOG transferred to & spent in CWS	0
4.	Funds available	310,668
5.	SEOG disbursements to students	327,019
6.	Institutional share of disbursements to students	32,702
7.	Federal share of disbursements to students	294,317
8.	ACA claimed	16,351
9.	Funds spent	310,668
10.	Expended SEOG authorization	273,542
11.	Unexpended SEOG authorization	0
12.	Prior year recoveries	0

FISAP PART V: CWS--SECTIONS A AND B

1.	Final adjusted CWS authorization	$428,760
2.	SEOG transferred to & spent in CWS	0
3.	CWS transferred to & spent in SEOG	37,126
4.	91-92 funds carried back & spent in 90-91	0
5.	89-90 funds carried forward & spent in 90-91	21,000
6.	90-91 funds carried forward to be spent in 91-92	17,931
7.	90-91 funds carried back & spent in 89-90	0
8.	Total funds available for 1990-91	394,703

FISAP PART V: CWS--SECTION C

9.	Total earned compensation, Regular CWS jobs		$497,471
10.	Total earned compensation, CSL program jobs		0
11.	Total earned compensation, total CWS program		497,471
	a. On-campus expenditures	$497,471	
	b. Off-campus expenditures, public or private nonprofit	0	
	c. Off-campus expenditures, private for-profit	0	
12.	Total school share of earned compensation		149,241

FISAP PART V: CWS--SECTION D

13. Total federal share of CWS disbursements to students (Regular and CSL program)		$348,230
a. Compensation at Fed. share 70%	348,230	
b. Off-campus private for-profit compensation at Fed. share 50%	0	
c. CSL program compensation at Fed. share 90%	0	
14. ACA for Regular CWS program		24,873
15. ACA for CSL program		0

FISAP PART V: CWS--SECTION D (CONTD)

16. Total federal share of JLD expenditures		$21,600
a. Regular JLD expenditures	21,600	
b. JLD expenditures for CSL program	0	
17. Total federal funds spent for CWS		394,703

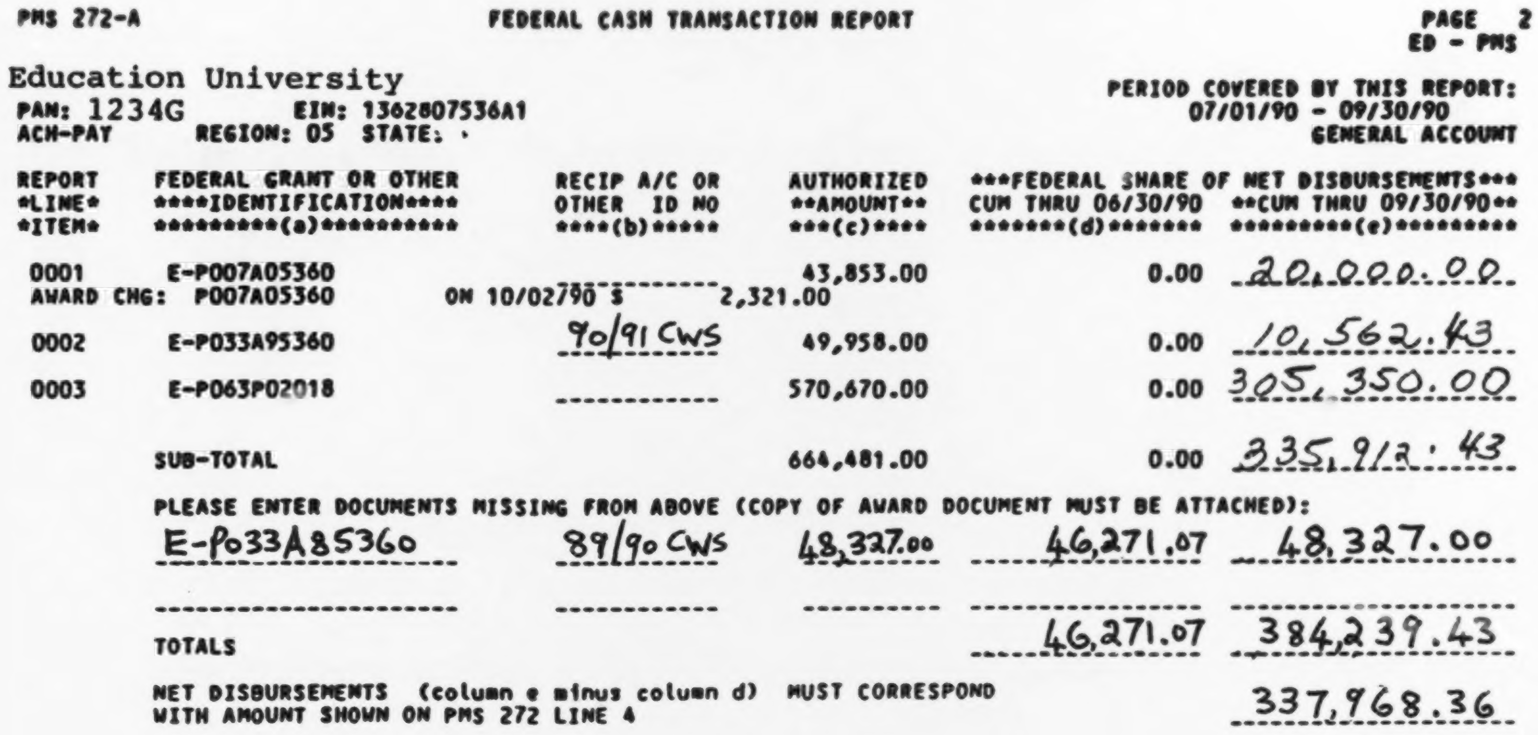
FISAP PART V:
CWS--SECTIONS E AND F

18. Expended CWS authorization	428,760
19. Unexpended CWS authorization	0
20. Prior Year recoveries	0

FISAP PART V: CWS--SECTION G

21.	Total expenditures for the JLD programs		$27,000
	a. Regular JLD expenditures	27,000	
	b. CSL program-JLD expenditures	0	
22.	Institutional Expenditures for the JLD programs		$5,400
23.	Federal share of JLD program expenditures		$21,600
	a. Regular JLD expenditures	21,600	
	b. CSL program-JLD expenditures	0	
24.	Number of students for whom jobs were located or developed		166

EXAMPLE: REPORTING CWS CARRY FORWARD TO ED/PMS



PMS 272-A

FEDERAL CASH TRANSACTION REPORT

PAGE 2
ED - PMS

Education University
PAN: 1234G EIN: 1362807536A1
ACH-PAY REGION: 05 STATE: ·

PERIOD COVERED BY THIS REPORT:
07/01/90 - 09/30/90
GENERAL ACCOUNT

REPORT *LINE* *ITEM*	FEDERAL GRANT OR OTHER ****IDENTIFICATION**** **********(a)***********	RECIP A/C OR OTHER ID NO ****(b)*****	AUTHORIZED **AMOUNT** ***(c)****	***FEDERAL SHARE OF NET DISBURSEMENTS*** CUM THRU 06/30/90 *******(d)*******	**CUM THRU 09/30/90** *********(e)*********
0001	E-P007A05360		43,853.00	0.00	20,000.00
AWARD CHG:	P007A05360	ON 10/02/90 $	2,321.00		
0002	E-P033A95360	90/91 CWS	49,958.00	0.00	10,562.43
0003	E-P063P02018		570,670.00	0.00	305,350.00
	SUB-TOTAL		664,481.00	0.00	335,912.43

PLEASE ENTER DOCUMENTS MISSING FROM ABOVE (COPY OF AWARD DOCUMENT MUST BE ATTACHED):

E-P033A85360	89/90 CWS	48,327.00	46,271.07	48,327.00
TOTALS			46,271.07	384,239.43

NET DISBURSEMENTS (column e minus column d) MUST CORRESPOND WITH AMOUNT SHOWN ON PMS 272 LINE 4 337,968.36

SUMMARY OF THIS SESSION

- Stafford Loan, SLS, and PLUS program reporting through Student Status Confirmation Reports
- Pell Grant program reports, including the Institutional Payment Summary, ED/PMS reports, and audit reports
- Different types of ED/PMS quarterly reports, including how to complete the two reports that are always returned to ED--the 272 and 272-A
- Reconciling the ED/PMS reports to the general ledger using a funding controls schedule
- Reports arising out of audits and program reviews
- The Fiscal Operations Report and Application to Participate in the campus-based programs (FISAP)
- Advantages of the Electronic FISAP
- How to complete the FISAP
- Making adjustments to reports, including current and prior year adjustments in the Pell Grant and campus-based programs

SESSION
9

REVIEW OF INFORMATION RESOURCES AND WORKSHOP WRAPUP

OVERVIEW

(10 MINUTES)

A. Orientation to Session 9

B. Using *The Blue Book* Appendices

C. Sources of Further Information

D. Workshop Summary

MAIN OBJECTIVES

- Participants will recognize the main information contained in *The Blue Book* appendices

- Participants will state how and where to obtain further information when needed

A. ORIENTATION TO SESSION 9

This session will help answer questions like:

- **What other topics** are covered in *The Blue Book*, beyond what we've had time for in this workshop?
- **Where** do we look for further information beyond what is in *The Blue Book*?

B. USING *THE BLUE BOOK* APPENDICES

Appendix A is *The Blue Book* Glossary. It provides definitions or explanations of both fiscal and Title IV terms. These explanations are brief, but often include important details.

Example: How long is an academic year at an institution using clock hours?

Answer: ____________________

Acronyms are explained in Appendix B. This should be a useful section, as acronyms can be a real problem in student financial aid.

Example: What does FAFNAR stand for? What function does it serve?

Answer: ____

Appendix E describes the due diligence requirements for the Perkins/NDSL program, including topics such as:

- what you must do before the borrower begins repayment
- contacts during grace periods
- required billing procedures
- what to do if the borrower is overdue

- collection procedures if the borrower is in default
- what to do if litigation must be considered
- recoveries and charges to the Perkins Loan Fund
- what to do if the borrower files for bankruptcy
- what to do if you cannot collect the loan

Finally, there is an extensive index at the back of *The Blue Book*.

C. SOURCES OF FURTHER INFORMATION

Appendices C and D of *The Blue Book* should be very useful, as they provide a list of Key Resources and a Technical Assistance Directory.

The Key Resources section is your list of printed information sources. Appendix C contains:

- specific references to the original regulations in the *Federal Register*
- references to specific "Dear Colleague" letters*--these letters often give very helpful explanations of new points
- lists of ED and non-ED reference publications, including publications by professional associations such as NACUBO and NASFAA

Appendix D is the Technical Assistance Directory--your list of who's who in ED:

- it often gives names and phone numbers of specific staff who will assist with specific programs and problems

Example: If you are in Maine and need answers to questions about the PMS 272 Quarterly Report you just received, who do you call?

Answer: ______________________________

***If you are interested in "Dear Colleague" letters that are not specifically on fiscal matters, check with your Financial Aid Office--some "Dear Colleague" letters are mailed only to that office.**

To provide further help, here is a list of professional organizations whose work includes helping members with the administration of student financial aid:

NACUBO--The National Association of College and University Business Officers. This association provides publications and training to assist in the effective administration of financial aid.

Contact NACUBO at 1 Dupont Circle, N.W., Washington, D.C. 20036. Tel: (202) 861-2500

NASFAA--The National Association of Student Financial Aid Administrators. This is an association formed on the national level to represent and train financial aid administrators and to keep them informed of regulatory changes.

Contact NASFAA at 1920 L Street, N.W., Suite 200, Washington, D.C. 20036. Tel: (202) 785-0453

CCA--The Career College Association.* CCA is the national association and accrediting commission for private business career schools and trade and technical schools. It offers training workshops and publishes the Student Financial Aid Tool Kit, a regularly updated training manual for aid administrators at trade and technical schools.

Contact CCA at *either* the former AICS location:**

1 Dupont Circle, N.W., Suite 350, Washington, D.C. 20036. Tel: (202) 659-2460

or the former NATTS location:**

2251 Wisconsin Avenue, N.W., Washington, D.C. 20007. Tel: (202) 333-1021

NAACS--The National Association of Accredited Cosmetology Schools. This association holds seminars for financial aid administrators who work at cosmetology schools.

Contact NAACS at 5201 Leesburg Pike, Suite 205, Falls Church, VA 22041. Tel: (703) 845-1333

NACCAS--National Accrediting Commission of Cosmetology Arts and Sciences. NACCAS can provide helpful information to cosmetology schools.

Contact NACCAS at 1333 H Street, N.W., Suite 710, Washington, D.C. 20005. Tel: (202) 289-4300

*CCA was created in August 1991 through a merger of two organizations: the Association of Independent Colleges and Schools (AICS) and the National Association of Trade and Technical Schools (NATTS).

**CCA plans to move to a new location by January 1992.

NHSC--National Home Study Council. NHSC is an association of accredited correspondence institutions. It provides professional development through conferences, seminars, workshops, and publications.

Contact NHSC at 1601 18th St., N.W., Washington, D.C. 20009. Tel: (202) 234-5100

Check with your accrediting agency and the associations of which your school is a member. Publications and training may be available to you from these sources as well as the state, regional, and national associations.

D. WORKSHOP SUMMARY

In this workshop, the main topics were:

- recognizing the main Title IV student financial aid programs
- identifying the major features and restrictions of these programs
- establishing appropriate ledger accounts and journals for the Title IV programs, and performing necessary internal checks and controls
- establishing proper areas of responsibility for the different institutional offices that deal with various aspects of Title IV financial aid
- scheduling and preparing for required evaluations such as audits and program reviews
- keeping the required records, such as for individual students and Title IV programs
- keeping appropriate records when applying aid to institutional charges and making cash disbursements of remaining aid
- dealing with "no-shows" who were Title IV recipients
- applying appropriate refund and repayment procedures when Title IV recipients withdraw, drop out, or are expelled
- describing recent changes in the federal and institutional shares in the campus-based programs

- calculating administrative cost allowances
- estimating funds available for awards in the campus-based programs
- projecting the school's immediate need for federal cash for Title IV programs, and drawing down, managing, and returning federal cash as necessary
- filing required reports on Title IV program activities
- using *The Blue Book* as a reference guide to retrieve key information on the Title IV programs

Don't forget to drop off the completed evaluation form from Session 8 on the instructor's desk as you leave.

==============END OF WORKSHOP===============

FISCAL
OFFICER
TRAINING
WORKSHOP

ANSWER SECTION

Fall, 1991

SESSION 1 ANSWERS

TITLE IV MAXIMUM LOAN AND GRANT LIMITS QUICK-REFERENCE SHEET

	ANNUAL	*CUMULATIVE*	
Pell Grant	$2,400 in 91-92	no specific dollar limit, but 5- or 6-year time limit for students who received first Pell Grant on or after 7-1-87	
SEOG	$4,000	NONE	
Perkins	NONE	$4,500	First two years of undergraduate study not yet successfully completed
		$9,000	More than two years of undergraduate study successfully completed
		$18,000	Graduate/professional study (includes all previous undergraduate borrowing)
NOTE: Perkins Loan aggregate figures are lifetime limits, unaffected by repayment.			
Stafford	$2,625	(n/a)	First two years of undergraduate study not yet successfully completed
	$4,000	$17,250	More than two years of undergraduate study successfully completed
	$7,500	$54,750	Graduate/professional study
SLS	$4,000	$20,000	For a program of a full academic year
For first-year undergraduates in a program of less than a full academic year but at least 2/3 of an academic year, SLS loan limit for program: $2,500			
For first-year undergraduates in a program of less than 2/3 of a full academic year but at least 1/3 of an academic year, SLS loan limit for program: $1,500			
PLUS	$4,000	$20,000	Per dependent student
NOTE: Repayment of Stafford and SLS Loans restores the aggregate figures, permitting eligible students to establish new limits against which they may borrow in subsequent award years.			

SESSION 2 ANSWERS

TITLE IV LEDGER ACCOUNTS GRID

	ED/PMS	*Pell Grant*	*SEOG*	*CWS*	*Perkins Loan*
1.	Asset Accounts	Asset Accounts	Asset Accounts	Asset Accounts	Asset Accounts
2.	Asset Reduction Accounts	Asset Reduction Accounts	Asset Reduction Accounts	Asset Reduction Accounts	Asset Reduction Accounts
3.	Liability Accounts	Liability Accounts	Liability Accounts	Liability Accounts	Liability Accounts
4.	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)	Capital Accounts (or Program Balance)
5.	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts	Capital Reduction Accounts
6.	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)	Income Accounts (Revenue)
7.	Expense Accounts	Expense Accounts	Expense Accounts	Expense Accounts	Expense Accounts

PELL GRANT JOURNAL ENTRIES FOR A COMPLETE AWARD YEAR AT SAMPLE COLLEGE

Date	*Description*	*General Ledger Acct*	*Debit*	*Credit*
	A. To record cash transferred from the ED/PMS for the coming fall term.			
09/01/X1	Cash, Pell Grants	1 - 1	164,373	
	Transfer from ED/PMS	6 - 1		164,373
	B. To record Pell Grants paid to students for the fall term.			
09/03/X1	Student Grants Paid	7 - 1	164,373	
	Cash, Pell Grants	1 - 1		164,373
	C. To record $13,698 in cash transferred from the ED/PMS on 10/29/X1 to pay for the remaining grants for the fall term.			
10/29/X1	Cash, Pell Grants	1 - 1	13,698	
	Transfer from ED/PMS	6 - 1		13,698
	D. To record the remaining $13,698 in Pell Grants paid to students for the fall term on 10/31/X1.			
10/31/X1	Student Grants Paid	7 - 1	13,698	
	Cash, Pell Grants	1 - 1		13,698
	E. To record cash transferred from the ED/PMS for the coming spring term.			
01/05/X2	Cash, Pell Grants	1 - 1	157,523	
	Transfer from ED/PMS	6 - 1		157,523
	F. To record Pell Grants paid to students for the spring term.			
01/07/X2	Student Grants Paid	7 - 1	157,523	
	Cash, Pell Grants	1 - 1		157,523

G. To record $6,849 in cash transferred from the ED/PMS on 02/26/X2 for the remaining spring term.

02/26/X2	Cash, Pell Grants	1 - 1	6,849	
	Transfer from ED/PMS	6 - 1		6,849

H. To record the remaining Pell Grants paid to students for the spring term.

02/28/X2	Student Grants Paid	7 - 1	6,849	
	Cash, Pell Grants	1 - 1		6,849

I. CLOSING ENTRY: To close out the revenue and expenditure account for the program year ended 06/30/X2.

06/30/X2	Transfer From ED/PMS	6 - 1	342,443	
	Pell Grants Paid	7 - 1		342,443

PELL GRANT GENERAL LEDGERS

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

T-ACCOUNT FORMAT

07/01/X1	Balance Forward	-0-			
09/01/X1	From ED/PMS	164,373	09/03/X1	Pell Grants paid	164,373
10/29/X1	From ED/PMS	13,698	10/31/X1	Pell Grants paid	13,698
01/05/X2	From ED/PMS	157,523	01/07/X2	Pell Grants paid	157,523
02/26/X2	From ED/PMS	6,849	02/28/X2	Pell Grants paid	6,849
06/30/X2	Ending Balance	-0-			

CASH, PELL GRANTS
GENERAL LEDGER ACCOUNT 1 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/01/X1	From ED/PMS	164,373		164,373
09/03/X1	Pell Grants paid		164,373	-0-
10/29/X1	From ED/PMS	13,698		13,698
10/31/X1	Pell Grants paid		13,698	-0-
01/05/X2	From ED/PMS	157,523		157,523
01/07/X2	Pell Grants paid		157,523	-0-
02/26/X2	From ED/PMS	6,849		6,849
02/28/X2	Pell Grants paid		6,849	-0-

TRANSFER FROM ED/PMS - PELL GRANTS
GENERAL LEDGER ACCOUNT 6 - 1

T-ACCOUNT FORMAT

			07/01/X1	Balance Forward	-0-
			09/01/X1	Cash transfer in	164,373
			10/29/X1	Cash transfer in	13,698
			01/05/X2	From ED/PMS	157,523
			02/26/X2	From ED/PMS	6,849
06/30/X2	Closing Entry	342,443			
			06/30/X2	Ending Balance	-0-

TRANSFER FROM ED/PMS - PELL GRANTS
GENERAL LEDGER ACCOUNT 6 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/01/X1	Cash transfer in		164,373	(164,373)
10/29/X1	Cash transfer in		13,698	(178,071)
01/05/X2	Cash transfer in		157,523	(335,594)
02/26/X2	Cash transfer in		6,849	(342,443)
06/30/X2	Closing Entry	342,443		-0-

PELL GRANTS PAID
GENERAL LEDGER ACCOUNT 7 - 1

T-ACCOUNT FORMAT

07/01/X1	Balance Forward	-0-			
09/03/X1	Fall term pymts	164,373			
10/31/X1	Fall term pymts	13,698			
01/07/X2	Spring term pymts	157,523			
02/28/X2	Spring term pymts	6,849			
			06/30/X2	Closing Entry	342,443
06/30/X2	Ending Balance	-0-			

PELL GRANTS PAID
GENERAL LEDGER ACCOUNT 7 - 1

CUMULATIVE BALANCE FORMAT

Date	*Description*	*DR*	*CR*	*DR/(CR) BAL*
07/01/X1	Balance Forward			-0-
09/03/X1	Fall term payments	164,373		164,373
10/31/X1	Fall term payments	13,698		178,071
01/07/X2	Spring term payments	157,523		335,594
02/28/X2	Spring term payments	6,849		342,443
06/30/X2	Closing Entry		342,443	-0-

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
ED/PMS ACCOUNTS
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
1-1	Cash Control, ED/PMS	-0-	
1-2	Accounts Receivable, ED/PMS	380,796	
1-3	Unremitted Cash to ED/PMS	-0-	
3-1	Accounts Payable, ED/PMS		-0-
4-1	Award Authorization, ED/PMS		880,330
4-2	Expended Funds, ED/PMS	499,534	
	TOTAL DEBITS AND CREDITS	880,330	880,330
		=======	=======

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
PELL GRANT LEDGER BALANCES
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
1-1	Cash Pell Grants	-0-	
6-1	Transfer from ED/PMS - Pell Grants		178,071
7-1	Student Grants Paid	178,071	
7-2	ACA Paid to Institution	-0-	
	TOTAL DEBITS AND CREDITS	178,071	178,071
		=======	=======

TRIAL BALANCE WORKSHEET FOR TITLE IV PROGRAMS
SEOG LEDGER BALANCES
AS OF 12/31/X1

Acct #	Account Name	Debit	Credit
1-1	Cash, SEOG	-0-	
6-1	Transfer from ED/PMS - SEOG Funds		149,093
6-2	Institution's Cash Contribution		18,848
6-3	Institution's Noncash Contribution		6,000
7-1	SEOG Grants Paid	165,659	
7-2	ACA Paid to Institution	8,282	
	TOTAL DEBITS AND CREDITS	173,941	173,941
		=======	=======

SESSION 3 ANSWERS

RESPONSIBILITIES OF THE LOAN COLLECTION OFFICE

Responsibilities of the loan collection office to the Title IV programs (page three-11 of your *Trainee Guide*) include:

- demonstrating diligence in collecting loans
- pursuing delinquent accounts, including working with:
    - credit bureaus
    - collection firms
    - skip-tracing companies
    - the IRS skip-tracing service
    - the court system
- developing systems to track loan accounts
- promoting efforts to reduce default rates
- updating promissory notes and disclosure statements
- assigning loans to ED

"ANNIE CASH" CASE STUDY: MISTAKES AND PROBLEMS

A. Frontier University requires all students applying for financial aid to complete a College Scholarship Service (CSS) FAF, thus requiring the student to pay a fee.

B. No clear separation of authorizing and disbursing functions--Frontier U. Financial Aid Office administered both functions.

C. Megabucks Bank did not make a multiple disbursement of Annie's Stafford Loan. If $1,210 had been originally credited to the account from the second Stafford disbursement, then $35 must go back to the lender under attribution ($1,210 - $1,175).

D. No established procedure to determine last date of attendance for students who do not complete Frontier U.'s formal withdrawal procedure. Annie's last date of attendance not properly determined.

E. No refund made to Title IV programs.

F. Frontier U. Financial Aid Office did not notify lender (Megabucks Bank) within 60 days that Annie had dropped out.

G. Procedure for obtaining Financial Aid Transcripts from schools previously attended by transfer students is not tied to Registrar's Office and Admissions Office.

H. School must have a valid SAR or ESAR on file for all Pell Grant recipients. Also, no SAR on file means no record that the following required statements and certifications were signed:

1. Certification Statement on Refunds and Defaults
2. Statement on Registration Status
3. Statement on Anti-Drug Abuse Act Certification
4. Statement of Updated Information

I. Missing financial aid transcripts (FATs) for State Community College and Backyear College. GSL funds may not be disbursed until the FATs are received. An FAT may show that Annie is not eligible because of prior loans and/or defaults.

J. Lack of coordination among the offices for attendance, prior attendance at other institutions, and last date of attendance.

K. No initial and exit loan counseling performed for Annie's Stafford and Perkins loans.

L. Interim Title IV disbursements were made and yet verification was not completed. The student is ineligible for Title IV funds. If verification cannot be completed within 60 days of Annie's last date of enrollment, the school must refund all monies to the Title IV accounts. Also, a Stafford loan cannot be disbursed until verification is completed.

M. The Stafford loan check was negotiated a few days after the class start. There is a delayed certification requirement for first-time borrowers. How can the Financial Aid Office be sure that Annie is not a first-time borrower?

N. A repayment is due from Annie.

O. The loan was not attributed to payment periods.

P. How did the institution award and disburse the SEOG grant? What is the school's policy? Is it based on need or to cover 100% of need?

Q. The school's monitoring of satisfactory academic progress is inadequate. What is the school's policy?

CWS RESPONSIBILITIES

Some example issues for the "CWS Responsibilities" question (pages three-25 and three-26 of your *Trainee Guide*) are:

- There are restrictions on the work performed.
  - Who approves the job description?
  - Who makes sure that the student doesn't work "outside" the job description?
- The time sheet requires signatures.
  - Who supervises the work and signs the certification?
- The student must remain eligible from one term to the next.
  - Who watches for changes in eligibility, or in grades and enrollment status?
- An application was made to the Department of Education for CWS funding, and reports must be submitted on the use of these funds.
  - Who coordinates the application process?
  - Who completes the reports?
- Paychecks will be based on time sheets.
  - Who collects time sheets from the institutional departments who employ CWS employees? (Students should not be used in delivering time sheets.)
  - Who processes the payroll?
  - Who reconciles the hours submitted on time sheets with money actually disbursed to CWS eligible student employees?
- The total amount the student can earn is restricted.
  - Who determines the amount of the student's award?
  - Who pays the nonfederal share?
  - Who sees to it that the student does not earn more than the amount of the award?
  - Who determines the hourly dollar amount a student must be paid?
- The earnings are within an overall institutional budget for the CWS program.
  - Who develops the budget, and who tracks total CWS expenditures?
- Some eligibility requirements are institutional policies.
  - Who develops the policies?

SESSION 4 ANSWERS

The Regular Refund, *Pro Rata* Refund, and Repayment worksheets with complete solutions for Case 2 are shown later in this section. First, Case 2 is presented step by step (see below).

EXERCISE 1--INSTITUTIONAL REFUND FOR CASE 2

We can bypass Preliminary Step 1, the "no show" section -- Eva withdrew after 90 hours of classes.

- Stafford amount ($1,225) all attributed to payment period
- $2,000 from SEOG and $275 from Pell all attributed to payment period
- Only $250 of the $500 School Grant is attributed to the first period. The other $250 is not used in the refund calculation. The school's institutional aid policy provides for the return of any remaining tuition grant funds to the School Grant fund and, therefore, the remaining $250 is returned to that fund.

In Step 1:

- enter total school charges - $4,000
- enter percentage school retains - Eva completed 10% of program (90/900 hours)--school policy says 60% to be refunded so school retains 40%
- total retained equals $1,600 ($4,000 X 40%)

In Step 3, enter payments credited to account for payment period:

- Stafford = $1,225, SEOG = $2,000, Pell = $275
- only $250 for school tuition grant
- total paid charges = $3,750

In Step 4, calculate amount to be refunded using information in Steps 1 and 3:

- total charges paid ($3,750) minus total retained by school ($,1,600) equals total to be refunded: **$2,150**

EXERCISE 2–*PRO RATA* REFUND FOR CASE 2

Preliminary Steps 1 and 2 and Step 3, Payments Credited to School Charges, are the same as they were for the regular refund policy.

In Step 1, Amount Retained by School under a *pro rata* policy:

- Eva completed 10% of the program before withdrawing (90/900 hours = 10% -- no need to round up in this case), so amount of charges retained = $4,000 x 10% = $400
- Administrative fee is lesser of $100 **or** 5% x $4,000, so the lesser is $100
- Total retained by the school equals $400 + $100 = **$500**

In Step 4, Refund Amount:

- total charges paid less total retained by the school equals the total to be refunded, so $3,750 - $500 = **$3,250 refund**

EXERCISE 3--DISTRIBUTION FORMULA: CALCULATING THE TITLE IV PORTION OF THE REFUND

Title IV aid was Stafford Loan, Pell Grant, and SEOG.

- For Stafford Loan, use **gross amount** for this payment period--$1,312.50
- Pell Grant = $1,100
- SEOG = $2,000
- **Total Title IV Aid awarded for period $4,412.50**

- Additional aid--**institutional grant** of $250
- **Total Aid awarded for period $4,662.50**

- Title IV portion is **$2,035** with Regular policy
- Title IV portion is **$3,076** with *Pro Rata* policy

- Regular policy: Total refund $2,150, minus Title IV portion $2,035, equals $115 refund to School Grant program
- *Pro Rata* policy: Total refund $3,250, minus Title IV portion $3,076, equals $174 refund to School Grant program

EXERCISE 4–INSTITUTIONAL ALLOCATION FOR CASE 2

In the **prioritized** solution important conditions must be met:

- total Title IV portion of refund cannot exceed $2,035
- amount returned to Pell cannot exceed $1,100
- amount returned to Stafford cannot exceed $1,312.50
    - -- note that schools may elect to return an amount equal to the full guarantee
- amount returned to SEOG cannot exceed $2,000
- student/institutional program refund cannot exceed $250

The prioritized solution is:

- 1st return to Stafford $1,225 (returned in full)
- 2nd to SEOG $ 810 (partial return)
- no return to Pell Grant

The **proportional** solution is as follows:

- amount returned to Stafford $ 712 (Stafford calculation is based on **net** amount received)
- amount returned to Pell $ 163
- amount returned to SEOG $1,160

The **equal** solution is 33 1/3% to each program, so:

- amount returned to Stafford $ 678.33
- amount returned to Pell $ 678.33
- amount returned to SEOG $ 678.34

CASE 2 Eva Brown CLOCK-HOUR TECH

Clock-Hour Tech offers a 900 clock-hour 9 month program in word processing. Normal practice at Clock-Hour Tech is to pay for the entire course up front. For Title IV purposes, the program is considered as two 450-hour payment periods.

REFUND POLICY

Tuition and Fees are refunded according to the following schedule:

Percentage of Clock Hours Completed	*Percentage Refunded*
0	100%
0.1 - 4.9%	80%
5 - 9.9%	70%
10 -14.9%	60%
15 - 24.9%	55%
25 - 49.9%	30%
50% and over	0%

DISBURSEMENT POLICY

The school uses the following priority table to disburse aid to student accounts.

I. Loans to be Repaid by Students
   1. Stafford Loans
   2. SLS

II. Institutional Grants/Scholarships
   3. Scholarships
   4. SEOG
   5. Pell Grants

III. All Other
   6. Tuition Deposits

REPAYMENT POLICY

Off-campus living expenses are pro-rated based on the percentage of time completed. Books and supplies expenses are incurred at the beginning of each program.

STUDENT INFORMATION

Eva Brown is a returning student who enrolls in Clock-Hour Tech's Word Processing program. She withdraws from the program after 90 hours of class.

Student Budget for 900-Hour Program

Tuition and Fees	$4,000
Room and Board	$1,750
Books & Supplies	$ 150
Transportation	$ 800
Personal	$ 630

Aid Awarded and Disbursed

For the payment period, Eva received:

School Grant	$ 500	(for 900-hour course)
Pell Grant	$1,100	($825 disbursed to her)
SEOG	$2,000	
Stafford Loan	$1,225	

Eva's Stafford Loan disbursement for the first payment period was received during the second week of classes. The school applied the $1,225 payment (half of the $2,625 award, less insurance and origination fees) to her account and gave her a check for $825. The Pell Grant had a lower disbursement priority and was used to make this cash payment.

REGULAR REFUND WORKSHEET

Name: Brown, Eva
SSN: 599-00-1919
Payment Period Start Date: 7/06/X2
Withdrawal Date: 7/23/X2
Drop-Out Date: Same

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (*e.g.* to lender)
Stafford	1,225	-	1,225	=	none
SEOG	2,000	-	2,000	=	none
Pell	275	-	275	=	none
School Grant	500	-	250	=	250
		-		=	
		-		=	

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees	4,000	×40%	1,600
Room			
Board			
Administrative Fee			—
Total Retained			1,600

STEP 2 Aid Awarded for Payment Period

Stafford	1,312.50
SLS	
PLUS	
Perkins	
ICL	
SEOG	2,000
Pell	1,100
SSIG	
A. Total Title IV Funds	4,412.50
B. School and Other Aid	250
C. Total Aid (add A and B)	4,662.50

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	1,225
SLS	
PLUS	
Perkins	
ICL	
SEOG	2,000
Pell	275
SSIG	
Cash Payment by Student	
School and Other Aid	250
Total Paid Charges	3,750

STEP 4 Refund by School

Total Paid Charges (from Step 3)	3,750
Total Retained (from Step 1)	- 1,600
Refund	2,150

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

Refund (from Step 4) X Title IV Funds Awarded (from Step 2A) / Total Aid Awarded (from Step 2C) = Amount to Title IV Programs

$$\boxed{2{,}150} \times \frac{\boxed{4{,}412.50}}{\boxed{4{,}662.50}} = \boxed{2{,}035}$$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 **"No Shows"**

All Title IV aid must be restored to program accounts or lenders.

Name: Brown, Eva

SSN: 599-00-1919

Payment Period Start Date: 7/06/x2

Withdrawal Date: 7/23/x2

Drop-Out Date: Same

PRELIMINARY STEP 2 **Payment Periods**

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		**Amount to be returned** (*e.g.* to lender)
Stafford	1,225	-	1,225	=	none
SEOG	2,000	-	2,000	=	none
Pell	275	-	275	=	none
School Grant	500	-	250	=	250
		-		=	
		-		=	

STEP 1 ***Pro Rata* Amount Retained by School (based on §682.607)**

90/900 = 10%

School Charges	x	% of Program Completed	=	Amount Retained
4,000	x	10%	=	400

Administrative Fee + 100

Total Retained 500

STEP 2 **Aid Awarded for Payment Period**

Stafford	1,312.50
SLS	
PLUS	
Perkins	
ICL	
SEOG	2,000
Pell	1,100
SSIG	
A. Total Title IV Funds	4,412.50
B. School and Other Aid	250
C. Total Aid (add A and B)	4,662.50

STEP 3 **Payments (for Payment Period) Credited to School Charges**

Stafford	1,225
SLS	
PLUS	
Perkins	
ICL	
SEOG	2,000
Pell	275
SSIG	
Cash Payment by Student	
School and Other Aid	250
Total Paid Charges	3,750

STEP 4 **Refund by School**

Total Paid Charges (from Step 3) 3 750

Total Retained (from Step 1) - 500

Refund 3 250

STEP 5 **Distribution Formula: Amount to be Returned to Title IV Programs**

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{3{,}250} \times \frac{\boxed{4{,}412.50}}{\boxed{4{,}662.50}} = \boxed{3{,}076}$$

REPAYMENT WORKSHEET

Name: Brown, Eva
SSN: 599-00-1919
Payment Period Start Date: 7/06/X2
Withdrawal Date: 7/23/X2
Drop-Out Date: same

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period	90/900 = 10%	Living Expenses Actually Incurred
Room/Board	1,750	x10%	175
Books/Supplies	150		150
Transportation	800	x10%	80
Dependent Care			
Personal	630	x10%	63
		Total Incurred	468

STEP 2 Aid Awarded for Payment Period

Perkins
ICL
SEOG 2,000
Pell 1,100
SSIG
A. Total Title IV Funds 3,100
B. School and Other Aid 250
C. Total Aid (add A and B) 3,350

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins
ICL
SEOG
Pell 825
SSIG
School and Other Aid —
Total Cash Disbursed 825

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) 825
Total Incurred (from Step 1) - 468
Repayment 357

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{357} \times \frac{\boxed{3{,}100}}{\boxed{3{,}350}} = \boxed{330}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund 2,035
Stafford
SLS
PLUS
Perkins
ICL
SEOG
Pell
SSIG

Repayment 330
Perkins
ICL
SEOG
Pell
SSIG

SESSION 5 ANSWERS

MATCHING REQUIREMENTS QUICK-REFERENCE SHEET

SEOG Program (OH 7)

1990-91	Federal Share	**90%**
	Nonfederal Share	**10%**
1991-92...	Federal Share	**85%**
	Nonfederal Share	**15%**

Perkins Loan Program (OH 8)

Federal Capital Contribution (FCC)	**90%**
Institutional Capital Contribution (ICC)	**10%**

Regular CWS Program

For jobs on campus: *(OH 9)*

1991-92...	Federal Share	**70%**
	Employer Share	**30%**

For jobs off campus in the public or private nonprofit sectors: *(OH 9)*

1991-92...	Federal Share	**70%**
	Employer Share	**30%**

For jobs off campus in the private for-profit sector: *(OH 10)*

1991-92...	Federal Share	**50%**
	Employer Share	**50%**

CSL Program (OH 11)

For jobs in a CSL program:

Federal Share	**90%**
Employer Share	**10%**

Regular JLD Program (OH 12)

For locating jobs off campus in any employment sector:

Federal Share	**80%**
Employer Share	**20%**

CS/JLD Program (OH 13)

For locating jobs on campus or off campus in the public or private nonprofit sectors:

Federal Share	**80%**
Employer Share	**20%**

CALCULATING CAMPUS-BASED ACA

Solution

Total SEOG, CWS, and Perkins expenditures (except for CWS/CSL)	2	$20,000
	4	$29,000
	6+7	$37,500
Total Expenditures		$86,500

Less than $2,750,000, so ACA calculated at 5%.

ACA = .05 x $86,500 = $4,325

CSL calculated at 10% of wages.

ACA = .10 x ($1,800 + $200) = $ 200

Total ACA = $4,525

CALCULATING FUNDS AVAILABLE FOR AWARDS AND ACA

CALCULATING FUNDS AVAILABLE FOR AWARDS AND ACA FOR SEOG

Step 1: Let S = funds available for awards.

Step 2: At 5%, $\text{ACA} = .05S$

Step 3: $.85S + .05S = .9S = \$135{,}000$ = Total federal funds

Step 4: $S = \frac{\$135{,}000}{.9} = \$150{,}000$ = SEOG funds available for awards

Step 5: $.05S = \$7{,}500$ = ACA for SEOG

CALCULATING CWS GROSS WAGES AVAILABLE AND ACA FOR CWS

Step 1: Let C = gross CWS wages available

Step 2: Remember, federal CWS authorization pays up to 70% of wages and 5% ACA

Step 3: $.70C + .05C = .75C = \$84{,}000$ = Federal CWS authorization

Step 4: $C = \frac{\$84{,}000}{.75} = \$112{,}000$ = gross CWS wages available

Step 5: $.05C = \$5{,}600$ = ACA for CWS

CALCULATING PERKINS FUNDS AVAILABLE FOR LOANS AND PERKINS ACA

FCC (Federal Authorization)		ICC (1/9 x FCC)		Projected Repayments		Cash on Hand		Total Perkins Loan Funds
$180,000	+	$20,000	+	$100,000	+	$15,000	=	$315,000

Step 1: Let L = funds available for loans

Step 2: If ACA 5%, Perkins $\text{ACA} = .05L$

Step 3: $L + .05L = 1.05L = \$315{,}000$ = Total Perkins Loan funds

Step 4: $L = \frac{\$315{,}000}{1.05} = \$300{,}000$ = Perkins funds available for loans

Step 5: $.05L = \$15{,}000$ = Perkins ACA

CALCULATING FUNDS AVAILABLE FOR AWARDS AND ACA WITH TRANSFER AND CARRY FORWARD/CARRY BACK

CALCULATING FUNDS AVAILABLE FOR AWARDS AND ACA FOR SEOG

Step 1: SEOG Authorization plus Transfer from CWS
= $120,000 + $42,000 = $162,000
Step 2: S = SEOG funds available for awards
Step 3: ACA = .05S
Step 4: .85S + .05S = .9S = $162,000 = Total federal SEOG funds
Step 5: $\frac{\$162{,}000}{.9} = \$180{,}000$ = Funds available for grants
Step 6: .05S x $180,000 = $9,000 = ACA for SEOG

CALCULATING CWS GROSS WAGES AVAILABLE AND ACA FOR CWS

Step 1: CWS Authorization - Transfer to SEOG + Carry Forward
= Total federal CWS funds
= $420,000 - $42,000 + $39,000 = $417,000
Step 2: C = gross CWS wages available
Step 3: .70C + .05C = .75C = $417,000 = Total federal CWS funds
Step 4: $\frac{\$417{,}000}{.75} = \$556{,}000$ = Gross CWS Wages Available
Step 5: .05C = $27,800 = ACA for CWS

CALCULATING PERKINS FUNDS AVAILABLE FOR LOANS AND PERKINS ACA

FCC (Federal Authorization)	\$378,000
+ ICC (1/9 x FCC)	42,000
+ Projected Repayments	230,000
+ Cash on Hand	19,500
= Total Perkins Loan Funds	\$669,500

Step 1: L = Perkins Loan funds available for awards

Step 2: At 5% ACA, Perkins Loan ACA = .05L

Step 3: L + .05L = 1.05L = \$669,500 = Total Perkins Loan funds

Step 4: $L = \frac{\$669{,}500}{1.05} = \$637{,}619$ = Perkins funds available for loans

Step 5: .05L = \$31,881 = Perkins Loan ACA

SESSION 6 ANSWERS

The Regular Refund, *Pro Rata* Refund, and Repayment worksheets with complete solutions for Cases 3 and 4 are shown later in this section. First, Cases 3 and 4 are presented step by step (see below).

CASE 3: DEAN ADAMS, SOUTHERN STATE COLLEGE

REGULAR REFUND WORKSHEET (CASE 3)

- Start with withdrawal date--Dean withdrew in fourth week of semester (Autumn dates indicating payment period start date and appropriate withdrawal date)

- **Preliminary Step 1** for "no shows" does not apply in this case

- **Preliminary Step 2:** No amount to be returned

  - Stafford loan--$950 used to pay school charges, but $976.50 (net amount) attributed to payment period.

  - For Perkins loan ($1,250), School Grant ($250), and student cash payment ($50), amount used to pay school charges same as amount attributed to payment period.

- **Step 1:** Enter school charges for the semester--$980 tuition & fees and $1,520 campus housing

  - Enter percentage school retains--Dean withdrew in 4th week--school policy says 50% of tuition & fees to be refunded

    $ 980 x 50% = $490 Tuition & Fees
    1,520 x 25% = $380 Room & Board* (4 wks/16 wks = 25%)
    + $ 50 nonrefundable deposit
    $920 Total Retained

- **Step 2:** Fill in amount awarded for the payment period

	$ 1,050	Stafford (gross amount)
	1,250	Perkins
	600	Pell
	300	SEOG
A.	**$3,200**	**Total Title IV Aid**
	250	School & Other Aid
B.	**$3,450**	**Total Aid**

- **Step 3:** Determine payments (for period) credited to school charges

$ 950	Stafford
1,250	Perkins
50	student payment
250	School Grant
$2,500	**Total Charges Paid**

- **Step 4:** Calculate amount to be refunded

$2,500	Total Paid Charges (from Step 3)
- 920	Total Retained by School (from Step 1)
$1,580	**Refund**

- **Step 5:** Distribution Formula--Portion of Refund to Title IV
  - Refund × $\frac{\text{Title IV Funds}}{\text{Total Aid Awarded}}$ = Amount to Title IV Programs

$\$1,580 \times \frac{\$3,200}{\$3,450}$ = **$1,466 Portion of Refund to Title IV**

PRO RATA REFUND WORKSHEET (CASE 3)

- Using figures from Institutional Refund under a *pro rata* method:

- **Preliminary Steps 1 and 2 and Step 3, Payments Credited to School Charges,** are same for regular or *pro rata* refund policies

- **Step 1:** Dean withdrew during the fourth week of a 16 week semester--ED's *pro rata* refund policy is 12/16ths refund of tuition and fees, 4/16ths is retained

  - 4/16ths = 25%, but **round up to 30%** as permitted by ED

  - Amount of school charges retained
    = 30% x ($980 + 1,520) = **$750**

  - Amount Retained + Administrative Fee = Total Retained
    = $750 + $100* = **$850 Total Retained**

  *Under the *pro rata* method, a school may retain an administrative fee equal to the lesser of $100 or 5% of the total charges. Here, 5% of charges ($980 + $1,520) is $125.

- **Step 4:** Amount Paid - Amount Retained = Refund (OH 4)
  = $2,500 - $850 = **$1,650 Refund Amount**

  Note: must use the larger refund--regular or *pro rata*

- **Step 5:** Distribution Formula--Amount to Title IV

  - $$\text{Refund} \times \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} = \begin{array}{c}\text{Amount to}\\ \text{Title IV Programs}\end{array}$$

  $$\$1{,}650 \times \frac{\$3{,}200}{\$3{,}450} = \textbf{\$1,530 Portion of Refund to Title IV}$$

REPAYMENT WORKSHEET (CASE 3)

- **Step 1:** Living Expenses Incurred: Using school's repayment policy and Dean's withdrawal date, costs incurred are $412.50, calculated as follows:

  - Institutional Room & Board--charges included in refund calculation--not included in repayment

- Other costs for the semester are calculated as 1/2 of the costs for the full academic year:

Books/Supplies (expended 1st week) = $454 x 1/2 =	$227.00
Transportation = $442 x 1/2 x 1/4 =	55.25
Personal = $1,042 x 1/2 x 1/4 =	130.25
Total Incurred	**$412.50**

o **Step 2:** Aid Awarded for Payment Period

$ 1,250 Perkins
300 SEOG
600 Pell

A. **$2,150 Total Title IV Aid**
B. 250 School & Other Aid
C. **$2,400 Total Aid**

NOTE: Stafford (and any other GSL awards) not included in the repayment calculation.

o **Step 3:** Payments (for period) to Student: Dean received cash disbursements of $300 from SEOG and $600 from Pell Grant for a **total of $900** (cash disbursements from Stafford not included in repayment calculation)

o **Step 4:** Repayment Amount: Total cash disbursed less total expenses incurred equals the total to be repaid by Dean (OH 6)

$900 - $412.50 = **$487.50 Repayment required from Dean**

o **Step 5:** Repayment Formula--Amount to Title IV

- $$\text{Repayment} \times \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} = \begin{matrix}\text{Amount to}\\ \text{Title IV Programs}\end{matrix}$$

$$\$487.50 \times \frac{\$2{,}150}{\$2{,}400} = \$437 \text{ Repayment to Title IV}$$

ALLOCATION (CASE 3)

Allocation of Title IV Portion of Regular Refund - $1,466 (Case 3)

Prioritized:

Stafford	$950	OR	SEOG	$300
Perkins	$516		Pell	$600
SEOG	$ 0		Perkins	$566
Pell	$ 0		Stafford	$ 0

Equal:

Stafford	$366.50	Perkins	$366.50
Pell	$366.50	SEOG	$366.50*

*So equal allocation is not possible--only $300 SEOG attributed to the payment period, and cannot return more to a Title IV program than was awarded

Proportional:

Perkins	$1,250/$3,200	= 39% x $1,466	= $571.74
Stafford	$1,050/$3,200	= 33% x $1,466	= $483.78
Pell	$ 600/$3,200	= 19% x $1,466	= $278.54
SEOG	$ 300/$3,200	= 9% x $1,466	= $131.94

Allocation of Title IV Portion of *Pro Rata* Refund - $1,530 (Case 3)

Prioritized:

Stafford	$950	OR	SEOG	$300
Perkins	$580		Pell	$600
SEOG	$ 0		Perkins	$630
Pell	$ 0		Stafford	$ 0

Equal:

Stafford	$382.50	Perkins	$382.50
Pell	$382.50	SEOG	$382.50*

*So equal allocation is again not possible--only $300 SEOG attributed to the payment period, and cannot return more to a Title IV program than was awarded

Proportional:

Perkins	$1,250/$3,200	= 39%	x $1,530	= $596.70
Stafford	$1,050/$3,200	= 33%	x $1,530	= $504.90
Pell	$ 600/$3,200	= 19%	x $1,530	= $290.70
SEOG	$ 300/$3,200	= 9%	x $1,530	= $137.70

Allocation of Title IV Repayment - $437 (Case 3)

Prioritized:

Perkins	$437	OR	Pell	$437
SEOG	$ 0		SEOG	$ 0
Pell	$ 0		Perkins	$ 0

Equal:

Perkins	$145.67
Pell	$145.67
SEOG	$145.66

Proportional:

Perkins	$1,250/$2,150	= 58%	x $437	= $253.46
Pell	$ 600/$2,150	= 28%	x $437	= $122.36
SEOG	$ 300/$2,150	= 14%	x $437	= $ 61.18

CASE 4: FRAN HOWARD, WAY WEST TECHNICAL INSTITUTE

REGULAR REFUND WORKSHEET (CASE 4)

- Withdrawal date: Fran withdrew after four weeks--120 hours of class (March dates indicate payment period start date and withdrawal date)
- **Preliminary Step 1** does not apply in this case

- **Preliminary Step 2:** $500 cash payment from Fran is considered to have been made for charges for the full year. Only $250 is attributed to the payment period and $250 must be returned to Fran.
  - Stafford and SLS disbursements used to pay school charges are attributed to payment period

- **Step 1:** Enter school charges of $6,000 for tuition and fees
  - Enter percentage school retains: Fran withdrew after 120 hours--school policy says 60% of tuition & fees to be refunded and 40% to be retained by school

$6,000 x 40% = $2,400 Tuition & Fees

150 Withdrawal Fee

$2,550 Total Retained

- **Step 2:** Fill in amount awarded for the payment period

	$1,312.50	Stafford (gross amount)
	2,000.00	SLS (gross amount)
	1,150.00	Pell
A.	**$4,462.50**	**Total Title IV Aid**
B.	562.00	State Need Grant
C.	**$5,024.50**	**Total Aid**

- **Step 3:** Determine payments (for period) credited to school charges

$1,110	Stafford
1,890	SLS
250	Cash Payment by Student
$3,250	**Total Charges Paid**

- **Step 4:** Calculate amount to be refunded by school

$3,250	Total Paid Charges (from Step 3)
- 2,550	Total Retained by School (from Step 1)
$ 700	**Refund by School**

- **Step 5:** Distribution Formula--Amount to Title IV
  - Refund x $\frac{\text{Title IV Funds}}{\text{Total Aid Awarded}}$ = Amount to Title IV Programs

$700 × $\frac{\$4{,}462.50}{\$5{,}024.50}$ = **$622 Portion of Refund to Title IV**

PRO RATA REFUND WORKSHEET (CASE 4)

- Using figures from Institutional Refund under a *pro rata* method:
- **Preliminary Steps 1 and 2 and Step 3, Payments Credited to School Charges,** are same for regular or *pro rata* refund policies
- **Step 1:** Fran withdrew after completing 120 hours of a 900-hour course--ED's pro rata refund policy is 120/900ths or 13.33% **rounded up to 20%**
  - Amount of school charges retained
    = 20% x $6,000 = $1,200 Amount Retained
  - Amount Retained + Administrative Fee = Total Retained
    = $1,200 + $100* = **$1,300 Total Retained by School**

*Under the *pro rata* method, a school may retain an administrative fee equal to the lesser of $100 or 5% of the total charges. Here, 5% of $6,000 total charges = $300.

- **Step 4:** Amount Paid - Amount Retained = Refund (OH 19)
  = $3,250 - $1,300 = **$1,950 Refund Amount**

  Note: must use the larger refund--regular or *pro rata*
- **Step 5:** Distribution Formula--Amount to Title IV
  - Refund x $\frac{\text{Title IV Funds}}{\text{Total Aid Awarded}}$ = Amount to Title IV Programs

$1,950 × $\frac{\$4{,}462.50}{\$5{,}024.50}$ = **$1,732 Portion of Refund to Title IV**

REPAYMENT WORKSHEET (CASE 4)

- **Step 1:** Living Expenses Incurred: Using school's repayment policy and Fran's withdrawal date, costs incurred are $1,079, calculated as follows:

Room & Board $3,040 x 120/900 =	$ 405.33
Books/Supplies (expended 1st week) =	450.00
Transportation $450 x 120/900 =	59.99
Dependant Care $400 x 120/900 =	53.32
Personal $830 x 120/900 =	110.64
Total Incurred	**$1,079.28**

- **Step 2:** Aid Awarded for Payment Period (as always, aid awarded under the GSL programs is not used in the repayment calculation)

	$1,150 Pell
A.	**$1,150 Total Title IV Aid**
B.	562 Other Aid
C.	**$1,712 Total Aid**

- **Step 3:** Payments (for period) to Student: Fran received cash disbursements of $1,150 from Pell Grant and $562 from State Need Grant for a **total of $1,712**

- **Step 4:** Repayment Amount: Total cash disbursed less total expenses incurred equals the total to be repaid by Fran (OH 21)

  $1,712 - $1,079.28 = **$632.72 Repayment required from Fran**

- **Step 5:** Distribution Formula- Amount to Title IV

$$\text{Repayment} \times \frac{\text{Title IV Funds}}{\text{Total Aid Awarded}} = \text{Amount to Title IV Programs}$$

$$\$632.72 \times \frac{\$1,150}{\$1,712} = \textbf{\$425 Repayment to Title IV}$$

ALLOCATION (CASE 4)

Allocation of Title IV Portion of Regular Refund - $622 (Case 4)

Prioritized:

Stafford	$622	OR	Pell	$622
SLS	$ 0		SLS	$ 0
Pell	$ 0		Stafford	$ 0

Equal:

Stafford	$207.34
Pell	$207.33
SLS	$207.33

Proportional:

Stafford	$1,312.50/$4,462.50	= 29% x $622	= $180.38
Pell	$1,150.00/$4,462.50	= 29% x $622	= $161.72
SLS	$2,000.00/$4,462.50	= 45% x $622	= $279.90

Allocation of Title IV Portion of *Pro Rata* Refund - $1,732 (Case 4)

Prioritized:

Stafford	$1,225*	OR	Pell	$1,150
SLS	$ 507		SLS	$ 582
Pell	$ 0		Stafford	$ 0

*Note: As an alternative, the school could elect to return full loan amount of $1,312.50--including insurance premium and origination fee--because student is considered to have received benefit of the full loan amount.

Equal:

Stafford	$577.34
Pell	$577.33
SLS	$577.33

Proportional:

Stafford	$1,312.50/$4,462.50	= 29% x $1,732	= $502.28
Pell	$1,150.00/$4,462.50	= 26% x $1,732	= $450.32
SLS	$2,000.00/$4,462.50	= 45% x $1,732	= $779.40

Allocation of Title IV Repayment (Case 4): $425 to Pell

CASE 3 Dean Adams SOUTHERN STATE COLLEGE

Southern State College is a four-year public school that operates on a semester system; each term is 16 weeks long. The College participates in all of the campus-based programs, as well as the Pell Grant and guaranteed loan programs. The school requires new or returning students to pay a $50 deposit which is applied to tuition charges.

REFUND POLICY

Tuition and fees are refunded according to the following schedule:

If student withdraws:	*The school refunds:*
Before classes	100%
Within week 1	80%
Within week 2	70%
Within week 3	60%
Within week 4	50%
After week 4	0%

Institutionally contracted Room and Board charges are refunded on a *pro rata* basis of 16 weeks per semester.

The school retains a $50 withdrawal fee.

REPAYMENT POLICY

Southern State College pro-rates all living expenses on a weekly basis, and one-half of the books/supplies expenses for the Academic Year are considered expended during the first week of each semester.

STUDENT INFORMATION

Dean Adams attends a community college for two years and enrolls as a junior at Southern State College for the Fall semester. He withdraws during the fourth week of his first term.

Student Budget for Academic Year

Tuition and Fees	$1,960
Room & Board (on campus)	$3,040
Transportation	$ 442
Personal & Other	$1,042
Books/Supplies	$ 454

Aid Awarded and Disbursed

Dean was awarded a $500 School Grant, a $1,200 Pell Grant, a $600 SEOG, a $2,500 Perkins Loan, and a $2,100 Stafford Loan for the full academic year.

Dean received financial aid disbursements for the payment period in the following order:

- A $250 School Grant, a $1,250 Perkins Loan payment and a $950 Stafford Loan payment were credited to Dean's account.
- He received a cash disbursement of $600 Pell Grant, $300 SEOG, and $26.50 for the balance of his first period Stafford Loan advance.

REGULAR REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (e.g. to lender)
Stafford	950	-	976.50	=	none
Perkins	1,250	-	1,250	=	none
School Grant	250	-	250	=	none
Cash Payment	50	-	50	=	none
		-		=	
		-		=	

Name: Adams, Dean

SSN: 999-99-9998

Payment Period Start Date: 09/03/9X

Withdrawal Date: 09/26/9X

Drop-Out Date: Same

STEP 1 Amount Retained by School (based on refund policy)

	Charges		Amount Retained
Tuition/Fees	980	×50%	490
Room Board	1,520	×4/16	380
Administrative Fee			50
Total Retained			920

STEP 2 Aid Awarded for Payment Period

Stafford	1,050
SLS	
PLUS	
Perkins	1,250
ICL	
SEOG	300
Pell	600
SSIG	
A. Total Title IV Funds	3,200
B. School and Other Aid	250
C. Total Aid (add A and B)	3,450

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	950
SLS	
PLUS	
Perkins	1,250
ICL	
SEOG	
Pell	
SSIG	
Cash Payment by Student	50
School and Other Aid	250
Total Paid Charges	2,500

STEP 4 Refund by School

Total Paid Charges (from Step 3) 2,500

Total Retained (from Step 1) - 920

Refund 1,580

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{1,580} \times \frac{\boxed{3,200}}{\boxed{3,450}} = \boxed{1,466}$$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 — "No Shows"

All Title IV aid must be restored to program accounts or lenders.

Name: Adams, Dean
SSN: 999-99-9998
Payment Period Start Date: 09/03/9X
Withdrawal Date: 09/26/9X
Drop-Out Date: Same

PRELIMINARY STEP 2 — Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges	-	Amount attributed to payment period(s) student attended	=	Amount to be returned (*e.g.* to lender)
Stafford	950	-	976.50	=	none
Perkins	1,250	-	1,250	=	none
School Grant	250	-	250	=	none
Cash Payment	50	-	50	=	none
		-		=	
		-		=	

STEP 1 *Pro Rata* Amount Retained by School (based on §682.607)

4/16 = 25% — round to 30%

School Charges x % of Program Completed = Amount Retained
980+1,520 x 30% = 750
Administrative Fee + 100
Total Retained 850

STEP 2 Aid Awarded for Payment Period

Stafford	1,050
SLS	
PLUS	
Perkins	1,250
ICL	
SEOG	300
Pell	600
SSIG	
A. Total Title IV Funds	3,200
B. School and Other Aid	250
C. Total Aid (add A and B)	3,450

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	950
SLS	
PLUS	
Perkins	1,250
ICL	
SEOG	
Pell	
SSIG	
Cash Payment by Student	50
School and Other Aid	250
Total Paid Charges	2,500

STEP 4 Refund by School

Total Paid Charges (from Step 3) 2,500
Total Retained (from Step 1) - 850
Refund 1,650

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{1{,}650} \times \frac{\boxed{3{,}200}}{\boxed{3{,}450}} = \boxed{1{,}530}$$

REPAYMENT WORKSHEET

Name: Adams, Dean
SSN: 999-99-9998
Payment Period Start Date: 09/03/9X
Withdrawal Date: 09/26/9X
Drop-Out Date: Same

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period		Living Expenses Actually Incurred
Room/Board	on account		
Books/Supplies	454 × ½		227
Transportation	442 × ½	× 4/16	55.25
Dependent Care			
Personal	1,042 × ½	× 4/16	130.25
Total Incurred			412.50

STEP 2 Aid Awarded for Payment Period

Perkins 1,250
ICL
SEOG 300
Pell 600
SSIG
A. Total Title IV Funds 2,150
B. School and Other Aid 250
C. Total Aid (add A and B) 2,400

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins
ICL
SEOG 300
Pell 600
SSIG

School and Other Aid —
Total Cash Disbursed 900

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3) 900
Total Incurred (from Step 1) - 412.50
Repayment 487.50

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{487.50} \times \frac{\boxed{2,150}}{\boxed{2,400}} = \boxed{437}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund 1,489
Stafford
SLS
PLUS
Perkins
ICL
SEOG
Pell
SSIG

Repayment 437
Perkins
ICL
SEOG
Pell
SSIG

CASE 4 Fran Howard WAY WEST TECHNICAL INSTITUTE

The school offers 900 clock-hour programs in diesel mechanics and auto body repair. It does not participate in the campus-based programs, but its students are eligible for State Need Grants (not SSIG funded). For Title IV purposes, the program is considered as two 450-hour payment periods. While normal practice at Way West is to pay for the entire course up front, financial aid recipients are allowed to defer payment on the percentage of tuition and fees which will be paid by the student's second disbursement of financial aid.

REFUND POLICY

Tuition and Fees are refunded according to the following schedule:

Percentage of Clock Hours Completed	*Percentage Refunded*
0 - 4.9%	100%
5 - 9.9%	80%
10 - 14.9%	60%
15 - 24.9%	40%
25 - 49.9%	20%
50% and over	0%

The school retains a $150 withdrawal fee.

REPAYMENT POLICY

Off-campus living expenses are pro-rated based on the percentage of time completed.

Expenses for books and supplies are incurred at the beginning of each program.

STUDENT INFORMATION

Fran Howard, a single parent, enrolls in a 900-hour program at Way West Technical Institute in March. She withdraws from the program after attending for four weeks (120 hours of class).

Student Budget for 900-Hour Program

Tuition and Fees	$6,000
Room and Board (off campus)	$3,040
Books & Supplies	$ 450
Transportation	$ 450
Personal	$ 830
Dependant Allowance	$ 400

Aid Awarded and Disbursed

Fran's financial aid for the 900-hour program consisted of:

State Need Grant	$1,124
Pell Grant	$2,300
Stafford Loan	$2,625
SLS	$4,000

Fran made an initial cash payment of $500 when she signed the enrollment contract, and received the following financial aid disbursements for the payment period:

$ 562 SNG
$1,150 Pell Grant
$1,225 Stafford
$1,890 SLS

The school applied $3,000 of Fran's financial aid award to her account and gave her a check for $1,827 (this cash disbursement consisted of $1,150 Pell Grant, $562 SNG and $115 Stafford Loan monies).

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REGULAR REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

Name: Howard, Fran
SSN: 999-99-9999
Payment Period Start Date: 3/05/9X
Withdrawal Date: 3/31/9X
Drop-Out Date: same

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges		Amount attributed to payment period(s) student attended		Amount to be returned (e.g. to lender)
Stafford	1,110	-	1,225	=	none
SLS	1,890	-	1,890	=	none
Cash Payment	500	-	250	=	250
		-		=	
		-		=	
		-		=	

STEP 1 Amount Retained by School (based on refund policy)

120/900 = 13%

	Charges		Amount Retained
Tuition/Fees	6,000	×40%	2,400
Room			
Board			
Administrative Fee			150
Total Retained			2,550

STEP 2 Aid Awarded for Payment Period

Stafford	1,312.50
SLS	2,000
PLUS	
Perkins	
ICL	
SEOG	
Pell	1,150
SSIG	
A. Total Title IV Funds	4,462.50
B. School and Other Aid	562
C. Total Aid (add A and B)	5,024.50

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	1,110
SLS	1,890
PLUS	
Perkins	
ICL	
SEOG	
Pell	
SSIG	
Cash Payment by Student	250
School and Other Aid	
Total Paid Charges	3,250

STEP 4 Refund by School

Total Paid Charges (from Step 3)	3,250
Total Retained (from Step 1)	- 2,550
Refund	700

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

$$\text{Refund (from Step 4)} \times \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{700} \times \frac{\boxed{4,462.50}}{\boxed{5,024.50}} = \boxed{622}$$

PRO RATA REFUND WORKSHEET

PRELIMINARY STEP 1 "No Shows"

All Title IV aid must be restored to program accounts or lenders.

PRELIMINARY STEP 2 Payment Periods

Attribute all Stafford/SLS/PLUS disbursements, other aid disbursements, and the student's cash payments to payment periods if used to pay school charges.

Source	Amount used to pay school charges	-	Amount attributed to payment period(s) student attended	=	**Amount to be returned** (*e.g.* to lender)
Stafford	1,110	-	1,225	=	none
SLS	1,890	-	1,890	=	none
Cash Payment	500	-	250	=	250
		-		=	
		-		=	
		-		=	

Name: Howard, Fran

SSN: 999-99-9999

Payment Period Start Date: 3/05/9X

Withdrawal Date: 3/31/9X

Drop-Out Date: Same

STEP 1 *Pro Rata* Amount Retained by School (based on §682.607)

130/900 = 13% — round to 20%

School Charges	x	% of Program Completed	=	Amount Retained
6,000	x	20%	=	1,200

Administrative Fee + 100

Total Retained 1,300

STEP 2 Aid Awarded for Payment Period

Stafford	1,312.50
SLS	2,000
PLUS	
Perkins	
ICL	
SEOG	
Pell	1,150
SSIG	
A. Total Title IV Funds	4,462.50
B. School and Other Aid	562
C. Total Aid (add A and B)	5,024.50

STEP 3 Payments (for Payment Period) Credited to School Charges

Stafford	1,110
SLS	1,890
PLUS	
Perkins	
ICL	
SEOG	
Pell	
SSIG	
Cash Payment by Student	250
School and Other Aid	
Total Paid Charges	3,250

STEP 4 Refund by School

Total Paid Charges (from Step 3) 3,250

Total Retained (from Step 1) - 1,300

Refund 1,950

STEP 5 Distribution Formula: Amount to be Returned to Title IV Programs

Refund (from Step 4) X **Title IV Funds Awarded** (from Step 2A) / **Total Aid Awarded** (from Step 2C) = **Amount to Title IV Programs**

$$\boxed{1{,}950} \times \frac{\boxed{4{,}462.50}}{\boxed{5{,}024.50}} = \boxed{1{,}732}$$

REPAYMENT WORKSHEET

Name: Howard, Fran

SSN: 999-99-9999

Payment Period Start Date: 3/05/9X

Withdrawal Date: 3/31/9X

Drop-Out Date: same

STEP 1 Living Expenses Incurred

	Living Expenses for Payment Period	120/900 = 13.33	Living Expenses Actually Incurred
Room/Board	3,040	×13.33%	405.33
Books/Supplies	450		450
Transportation	450	×13.33%	59.99
Dependent Care	400	×13.33%	53.32
Personal	830	×13.33%	110.64
		Total Incurred	1,079.28

STEP 2 Aid Awarded for Payment Period

Perkins	
ICL	
SEOG	
Pell	1,150
SSIG	
A. Total Title IV Funds	1,150
B. School and Other Aid	562
C. Total Aid (add A and B)	1,712

STEP 3 Payments (for Payment Period) to Student for Living Expenses

Perkins	
ICL	
SEOG	
Pell	1,150
SSIG	
School and Other Aid	562
Total Cash Disbursed	1,712

STEP 4 Repayment Amount

Total Cash Disbursed (from Step 3)	1,712
Total Incurred (from Step 1)	- 1,079.28
Repayment	632.72

STEP 5 Repayment Formula: Amount to be Returned to Title IV Programs

$$\text{Repayment (from Step 4)} \; X \; \frac{\text{Title IV Funds Awarded (from Step 2A)}}{\text{Total Aid Awarded (from Step 2C)}} = \text{Amount to Title IV Programs}$$

$$\boxed{632.72} \; X \; \frac{\boxed{1,150}}{\boxed{1,712}} = \boxed{425}$$

ALLOCATION TO TITLE IV PROGRAMS

Refund	622	Repayment	425
Stafford		Perkins	
SLS		ICL	
PLUS		SEOG	
Perkins		Pell	
ICL		SSIG	
SEOG			
Pell			
SSIG			

SESSION 7 ANSWERS

EXERCISE 1

Federal Share of Projected Title IV disbursement (to be made on Friday, January 15)	100,000
Cash on Hand	800
Anticipated Recoveries	9,200

1a: Cash request: 90,000

1b: Request date for ACH/EFT: January 8 (Friday)*

(in theory, request okay on Monday 11th and up to 2 p.m. on Tuesday 12th--generally only takes 3 working days-- but more pressured--might need to confirm deposit received *and* disburse on 15th)

1c: Request date for FEDWIRE: January 13*

(14th also workable, but more pressured--would need to confirm deposit received *and* disburse on 15th)

1d: Request date for U.S. Treasury Check: December 15-18

(2 weeks before January 1st)

EXERCISE 2

Disbursement date: January 15, 1992*	*Federal Share*	
a. Projected Pell disbursement: $50,000	$50,000	100%
b. Projected SEOG disbursement: $30,000	$25,500	85%
c. Projected on-campus CWS payroll: $40,000	$28,000	70%
d. Projected CSL payroll: $3,000	$2,700	90%
e. Projected New Capital Contribution needed to make Perkins Loans: $20,000	$18,000	90%
f. Federal Cash Request	$124,200	

"SPOT THE MISTAKES" CASE STUDY

ALREADY DRAWN-DOWN IN FALL 1991	*1991-92 Authorization*	*Fall 1991 Draw-Down*
Pell Grant	$60,000	$28,000
SEOG	$50,000	$28,000
Regular On-Campus CWS Payroll	$64,000	$32,000
Perkins Loan	$18,000	$10,000

JANUARY 1992 PLANS	*Planned Draw-Down*	*Is This Allowable?*
Pell Grant	$35,000	NO
SEOG	$22,000	YES
Regular On-Campus CWS Payroll	$30,000	YES
Perkins Loan	$11,000	NO
Total ED/PMS Request for Spring	$98,000	NO

CASH REQUEST AND MANAGEMENT

Sample College, which uses ACH/EFT, will begin its second semester on Friday, January 15, 1992. The following disbursement needs have been projected:

		Federal Shares	
Pell Grants	$30,000	**$30,000**	
SEOG	24,000	**$20,400**	**(85%)**
Regular on-campus CWS Payroll	32,000	**$22,400**	**(70%)**
New Capital Contribution needed to make Perkins Loans	10,000	**$9,000**	**(90%)**

What amount should be requested? **$81,800**

The requested amount is directly deposited to Sample College's Title IV bank account (Account A) on the morning of January 14. In the afternoon, Sample College transfers $9,000 from this account to its Perkins account (Account B). Provide an appropriate name for each of these accounts, and show the amount of the requested funds now in each account:

	Account Name	*Amount*	*Interest Bearing?*
Account A	**"Title IV Federal Aid Funds"**	**$72,800**	**No**
Account B	**"Perkins Federal Loan Funds"**	**$9,000**	**Yes**

On January 15, Sample College finds it actually needs the following amounts to make disbursements:

		Federal Shares	
Pell Grants	$36,800	**$36,800**	
SEOG	20,000	**$17,000**	**(85%)**
Regular on-campus CWS Payroll	28,000	**$19,600**	**(70%)**

Total $73,400 -- no excess cash!
Sample College will expend more than it drew down from ED/PMS

New Capital Contribution for Perkins Loans 8,000 -- **but $9,000 already in Perkins Fund is considered "spent" -- no question of returning it to ED/PMS**

Which program accounts have federal cash in excess of "immediate need" which must be returned to the Department of Education? **None -- see above. As long as cumulative expenditures do not exceed the authorized limits, federal cash may be transferred to the various programs as necessary to meet actual disbursement needs.**

SESSION 8 ANSWERS

ED/PMS FUNDING CONTROLS SCHEDULE

SAMPLE COLLEGE 1990-91

	Cash Control 1-1	Grants Receivable 1-2	Unexpend-ed Grants 4-1 & 4-2	CWS		Pell		SEOG		Perkins		
Transactions				Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	Revenue 6-1	Expense 7-1	Total
BAL FWD		21,000	(21,000)									
Grant Award-CWS		428,760	(428,760)									
Grant Award-Pell		1,597,450	(1,597,450)									
Grant Award-Perkins		69,757	(69,757)									
Grant Award-SEOG		273,542	(273,542)									
Cash Received 9/25	1,750,000	(1,750,000)										
Expenditures 9/30	(1,831,308)				102,726		1,526,325		132,500		69,757	
1st Qtr Funding			1,831,308	(102,726)		(1,526,325)		(132,500)		(69,757)		
Balance 9/30/90	(81,308)	640,509	(559,201)	(102,726)	102,726	(1,526,325)	1,526,325	(132,500)	132,500	(69,757)	69,757	0
Cash Received 10/5	768,700	(768,700)										
Cash Received 11/15	516,000	(516,000)										
Cash Received 12/23	150,000	(150,000)										
Pell Increase 11/18		1,050,000	(1,050,000)									
Pell Increase 12/23		26,440	(26,440)									
Expenditures 12/31	(1,311,614)				108,474		1,198,897		4,243			
2nd Qtr Funding			1,311,614	(108,474)		(1,198,897)		(4,243)				
Balance 12/31/90	41,778	282,249	(324,027)	(211,200)	211,200	(2,725,222)	2,725,222	(136,743)	136,743	(69,757)	69,757	0
Pell Increase 1/13		87,402	(87,402)									
Pell Increase 3/18		1,321,825	(1,321,825)									
Cash Received 1/10	525,000	(525,000)										
Cash Received 2/15	266,000	(266,000)										
Cash Received 3/15	261,500	(261,500)										
Expenditures 3/31	(1,082,166)				105,723		840,643		135,800			
3rd Qtr Funding			1,082,166	(105,723)		(840,643)		(135,800)				
Balance 3/31/91	12,112	638,976	(651,088)	(316,923)	316,923	(3,565,865)	3,565,865	(272,543)	272,543	(69,757)	69,757	0

12,112 PMS 272 3/31/91 Cash on Hand
======

ED/PMS 272 WITH ANSWERS

//

PMS 272

FEDERAL CASH TRANSACTIONS REPORT
STATUS OF FEDERAL CASH

PAGE 1
OMB NO. 1880-0172
(APPROVAL THROUGH 07/31/91)

PERIOD COVERED BY THIS REPORT:
01/01/91 - 03/31/91
USER CODE: F31
GENERAL ACCOUNT

PIN: PAN: EIN: 1362807536A1
ACH-PAY REGION: 05 STATE:

1. CASH ON HAND BEGINNING OF REPORTING PERIOD $ 41,778

2. TOTAL RECEIPTS (SEE STATEMENT OF CASH ACCOUNTABILITY FOR DETAILS) + 1,052,500

3. TOTAL CASH AVAILABLE $ 1,094,278

4. NET DISBURSEMENTS (FROM PMS 272-A) - 1,082,166

5. ADJUSTMENTS OF PRIOR PERIODS (SEE STATEMENT OF CASH ACCOUNTABILITY FOR DETAILS) + -0-

6. CASH ON HAND END OF PERIOD (line 3, less line 4, plus or minus line 5) $ 12,112

7. THE AMOUNT SHOWN ON LINE 6, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING 3 DAYS
(NUMBER)

OTHER INFORMATION

8. INTEREST INCOME $ -0-

9. ADVANCES TO SUBGRANTEES OR SUBCONTRACTORS $ -0-

AUTHORIZED CERTIFYING OFFICIAL

I CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF THAT THIS REPORT IS TRUE IN ALL RESPECTS AND THAT ALL DISBURSEMENTS HAVE BEEN MADE FOR THE PURPOSE AND CONDITIONS OF THE GRANT OR AGREEMENT.

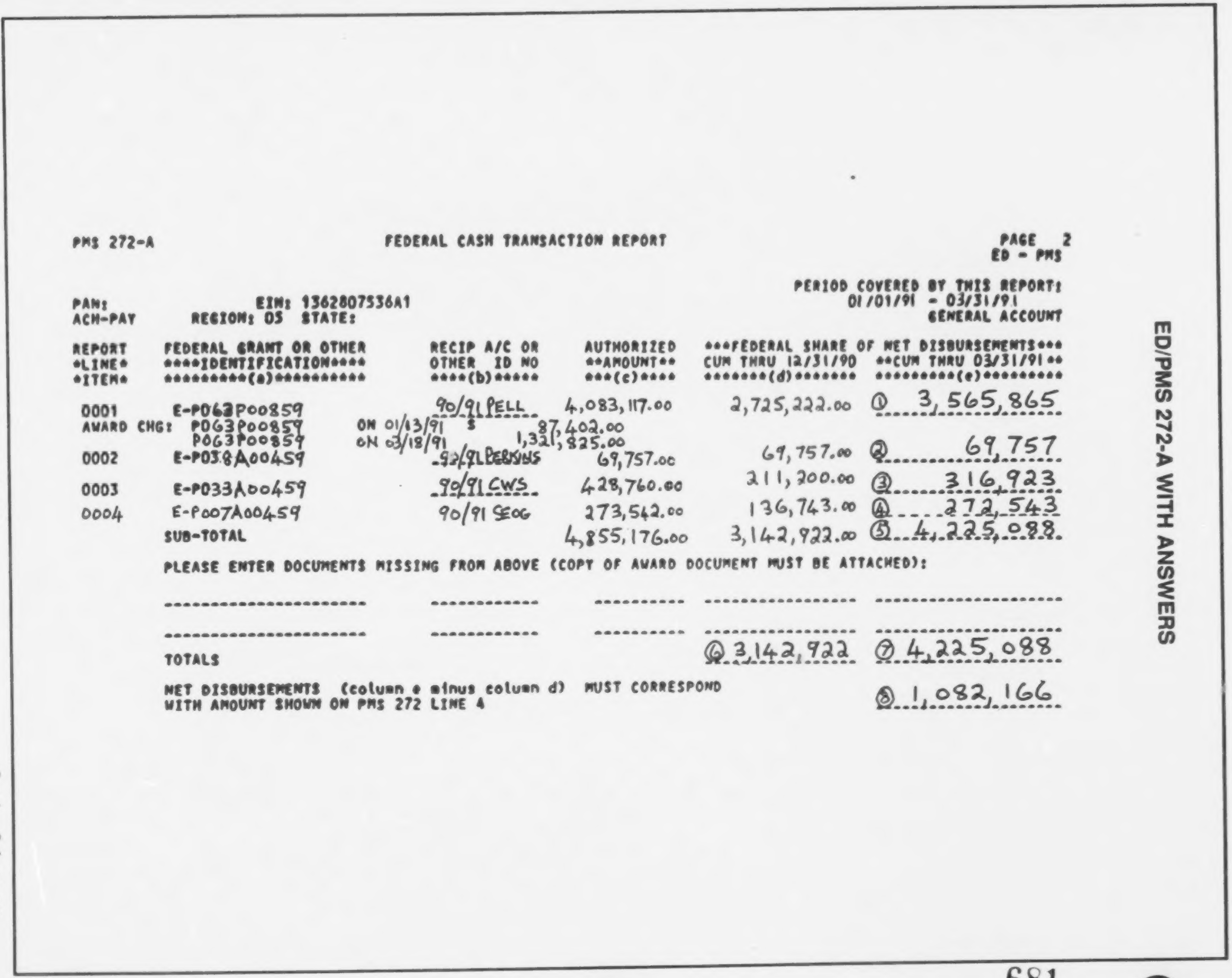
SIGNATURE______________________________DATE REPORT SUBMITTED____________________

TYPED OR PRINTED NAME AND TITLE ____

TELEPHONE: (Area Code)__________(Number)______________________(Extension)__________

The PMS contact point who is
responsible for your account is
JOYCE WALKER , or
staff at: (202) 401-1119
RETURN THE COMPLETED REPORT TO:
DEPARTMENT OF EDUCATION
FINANCIAL MANAGEMENT SERVICE
DIVISION OF FINANCIAL OPERATIONS
PROGRAM FINANCING BRANCH
400 MARYLAND AVENUE, S.W.
WASHINGTON, DC. 20202-4723

ED/PMS 272-A WITH ANSWERS



PMS 272-A FEDERAL CASH TRANSACTION REPORT PAGE 2
ED - PMS

PERIOD COVERED BY THIS REPORT:
01/01/91 - 03/31/91
GENERAL ACCOUNT

PAN:
EIN: 1362807536A1
ACH-PAY
REGION: 05 STATE:

REPORT *LINE* *ITEM*	FEDERAL GRANT OR OTHER ****IDENTIFICATION**** *********(a)**********		RECIP A/C OR OTHER ID NO ****(b)*****	AUTHORIZED **AMOUNT** ***(c)****	***FEDERAL SHARE OF NET DISBURSEMENTS*** CUM THRU 12/31/90 *******(d)*******	**CUM THRU 03/31/91** *********(e)*********
0001	E-P063P00859		90/91 PELL	4,083,117.00	2,725,222.00	① 3,565,865
AWARD CHG:	P063P00859	ON 01/13/91	$	87,402.00		
	P063P00859	ON 03/18/91		1,321,825.00		
0002	E-P038A00459		90/91 PERKINS	69,757.00	69,757.00	② 69,757
0003	E-P033A00459		90/91 CWS	428,760.00	211,200.00	③ 316,923
0004	E-P007A00459		90/91 SEOG	273,542.00	136,743.00	④ 272,543
	SUB-TOTAL			4,855,176.00	3,142,922.00	⑤ 4,225,088

PLEASE ENTER DOCUMENTS MISSING FROM ABOVE (COPY OF AWARD DOCUMENT MUST BE ATTACHED):

TOTALS ⑥ 3,142,922 ⑦ 4,225,088

NET DISBURSEMENTS (column e minus column d) MUST CORRESPOND WITH AMOUNT SHOWN ON PMS 272 LINE 4 ⑧ 1,082,166

Fiscal Operations Report

Part IV. Supplemental Educational Opportunity Grant Program (SEOG)

For Award Year July 1, 1990 Through June 30, 1991

Section A. Federal Funds Authorized for SEOG

1.	Final Adjusted SEOG Authorization ______ date of adj.	$	273,542

Section B. Federal Funds Available for SEOG Expenditures

2.	CWS Funds Transferred to and Spent in SEOG	+ $	37,126
3.	SEOG Funds Transferred to and Spent in CWS	- $	0
4.	Funds Available (Lines 1 + 2 - 3)	$	310,668

Section C. Total Grants to Students

5.	Total SEOG Disbursements to Students	$	327,019
6.	Institutional Share of Disbursements to Students (10% of line 5)	$	32,702

Section D. Federal Funds Spent for SEOG Program

7.	Federal Share of SEOG Disbursements to Students (90% of line 5)	$	294,317
8.	Administrative Cost Allowance Claimed	+ $	16,351
9.	Funds Spent (Lines 7 + 8)	$	310,668

Section E. Use of Federal SEOG Authorization

10.	Expended SEOG Authorization (Line 3 + Line 9 - Line 2)	$	273,542
11.	Unexpended SEOG Authorization (Line 1 - Line 10) (cannot be negative)	$	0

Section F. Miscellaneous Information

12.	Prior Year Recoveries (if any portion of this entry is applicable to one or more open awards in your ED/PMS account, mark box with an X. ☐)	$	0

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Fiscal Operations Report

Part V. College Work-Study Program (CWS)

For Award Year July 1, 1990 Through June 30, 1991

Section A. Funds Authorized/Released for CWS

1.	Final Adjusted CWS Authorization	____ date of adj.	$	428,760

Section B. Funds Available for CWS Expenditures

2.	SEOG Funds Transferred to and Spent in CWS	+ $	0
3.	CWS Funds Transferred to and Spent in SEOG	- $	37,126
4.	1991-92 Funds Carried Back and Spent in 1990-91	+ $	0
5.	1989-90 Funds Carried Forward and Spent in 1990-91	+ $	21,000
6.	1990-91 Funds Carried Forward to be Spent in 1991-92	- $	17,931
7.	1990-91 Funds Carried Back and Spent in 1989-90	- $	0
8.	Total Funds Available for 1990-91 (Lines 1 + 2 - 3 + 4 + 5 - 6 - 7)	$	394,703

Section C. Total Compensation for CWS

9.	Total Earned Compensation for Regular CWS Jobs		$	497,471
10.	Total Earned Compensation for Community Service Learning Program Jobs		+ $	0
11.	Total Earned Compensation for Total CWS Program (Line 9 + Line 10)		$	497,471
	a. On-campus expenditures	$ 497,471		
	b. Off-campus expenditures at public or private non-profit agencies	$ 0		
	c. Off-campus expenditures in the private (for profit) sector	$ 0		
12.	Total Institutional Share of Earned Compensation		$	149,241

Fiscal Operations Report Part V. 7/1/90 to 6/30/91

Section D. Funds Spent from Federal Share of CWS

13.	Total Federal Share of CWS Disbursements to Students (Both Regular and Community Service Learning Program)		$ 348,230
	a. Compensation at Federal Share not to exceed 70%	$ 348,230	
	b. Off-campus private (for profit) sector compensation at Federal Share not to exceed 50%	$ 0	
	c. Community Service Learning Program compensation at Federal Share not to exceed 90%	$ 0	
14.	Administrative Cost Allowance Claimed for Regular CWS Program		+ $ 24,873
15.	Administrative Cost Allowance Claimed for CSLP (May Not Exceed 10% of Line 10)		+ $ 0
16.	Total Federal Share of Job Location and Development Program Expenditures		+ $ 21,600
	a. Regular JLD Program expenditures: the lesser of $30,000 or 10% of (the sum of your 1990-91 original and supplemental authorizations, plus lines 4 and 5 of Part V).	$ 21,600	
	b. JLD Program expenditures for CSLP: the lesser of $20,000 or 10% of (the sum of your 1990-91 original and supplemental authorizations, plus lines 4 and 5 of Part V).	$ 0	
17.	Total Federal Funds Spent for CWS (Sum of Lines 13 through 16)		$ 394,703

Section E. Use of CWS Authorization

18.	Expended CWS Authorization (Lines 3 + 6 + 7 + 17) minus (Lines 2 + 4 + 5)	$ 428,760
19.	Unexpended CWS Authorization (Line 1 - Line 18)	$ 0

Section F. Miscellaneous Information

20.	Prior Year Recoveries	$ 0

Section G. Information About the Job Location and Development Programs

21.	Total Expenditures for the Job Location and Development Programs		$ 27,000
	a. Regular JLD Expenditures	$ 27,000	
	b. CS/JLD Expenditures	$ 0	
22.	Institutional Expenditures for the JLD Programs		- $ 5,400
23.	Federal Share of JLD Program Expenditures (Line 21 minus 22; Line 23 Must Equal Section D, Line 16)		$ 21,600
	a. Regular JLD Expenditures	$ 21,600	
	b. CS/JLD Expenditures	$ 0	
24.	Number of Students for Whom Jobs Were Located or Developed		166
25.	Total Earnings of the Students in Line 24 Above		$

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